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Incomplete **I.D.A.**

Algeria	6.0 D.D. local	15.42 D.D. Norway	4.0 D.N.J.C.
Austria	17.5 Italy	12.00 Live Cinema	0.700 Books
Bahrain	2.84 Jordan	4.000 Magazines	0.60 Books
Bulgaria	2.84 Kenya	14.00 Color	0.60 Books
Canada	C\$1.10	500 Pcs of Inland 60 P.	
Cyprus	5.25 Malta Lebanon	0.45 Saudi Arabia 0.00 R.	
Denmark	7.00 D.N.	Lebanon 0.25 Spain	0.00 S.A.
Egypt	... 100 P.	Liberia 0.05 Switzerland 2.00 S.F.	
Fiji	... 5.00	Luxembourg 30.1 F.	
Finland	5.00 France	Madagascar 70 Esc. Turkey	0.500 Den
Germany	2.20 D.M.	25 Cent Turkey	7.00 200.00
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Iraq	175 Ecu Nigeria	1.00 U.S. Mail	0.00 Books

U.S. Court Ruling Appears to Soften Laws Against Bias

By Fred Barbash
Washington Post Service

WASHINGTON — The Supreme Court in a confused and fragmented decision, on Friday narrowly upheld government regulations that ban even unintentional discrimination by state, local and private recipients of federal funds.

But it appeared to leave the administration legally free to change and relax those regulations to apply only to intentional acts of discrimination, which are much harder to prove. While no moves to do that have been announced by the administration, sources said, that relaxation has been discussed by some officials.

The court did not issue a majority opinion in Friday's case and the views of the court had to be pieced together, guaranteeing much future litigation on the issues. "Our opinions today will further confuse rather than guide," Justice Lewis F. Powell said in a statement concurring with the majority opinion.

The controversy concerns one of the most powerful tools available to prevent discrimination: Title VI of the Civil Rights Act of 1964, which prohibits racial bias "under any program or activity receiving federal financial assistance." Those programs include police departments, educational institutions, federally assisted housing and thousands of other activities.

Government agencies may enforce the law by cutting off funds. While civil rights lawyers consider that its most valuable asset, the law also permits victims of alleged discrimination to enforce it on their own by filing suit against a local, federally assisted program.

The court, in a case involving such a suit against the New York Police Department, approved that "private enforcement" right Friday, but appeared to limit the available relief.

At the center of Friday's dispute was the issue of whether a law forbids intentional discrimination only, which is extremely difficult to prove, or whether it goes beyond that to forbid actions that unintentionally are discriminatory in effect. The "effect test" allows stricter enforcement.

Regulations promulgated by dozens of government agencies, including the departments of Health and Human Services, Defense, Education and Housing and Urban Development, choose the strict "effects test."

A majority of five Justices — By-

ron R. White, John Paul Stevens, William J. Brennan, Jr., Harry A. Blackmun and Thurgood Marshall — approved that practice Friday either explicitly or by implication.

But seven justices, including three of those approving the regulations, said the law itself can be enforced only against intentional discrimination. Those seven were Chief Justice Warren E. Burger and Justices Lewis F. Powell, Jr., William H. Rehnquist, Sandra Day O'Connor, Stevens, Brennan and Blackmun.

The net effect of the ruling is to allow the agencies to go further than the law does in civil rights enforcement, giving them flexibility about whether to use an effects or intent test.

Friday's case, *Guardians Association vs. Civil Service Commission of the City of New York*, stemmed from an employment discrimination suit brought by blacks and Hispanics charging that hiring examinations had a discriminatory impact.

Most of the suit was based on Title VII of the Civil Rights Act, the most common weapon against employment discrimination. That act is not directly affected by Friday's ruling.

Some of the minorities were not covered by that law because some of its provisions were not in force when the alleged violations occurred. The case relied on Title VI, concerning federally assisted programs, as a fallback.

A majority of the court said they could sue under that law and its regulations. But a majority also said some of the relief they were granted by a lower court — back pay and back benefits, elevated seniority rights — was excessive.

Only "prospective relief," an order changing the future conduct of the department so that the tests are not discriminatory, appeared to be allowed under Friday's decision affirming the 2d U.S. Circuit Court of Appeals.

In other action Friday, the court ruled that the Environmental Protection Agency does not have to pay the legal fees of people who sue unless they actually win the suit. The 5-to-4 ruling was a defeat for the Sierra Club, which had argued that it should be reimbursed for a losing effort that contributes to the goals of the environmental laws.

The case stemmed from a challenge to sulfur dioxide emissions by coal-burning power plants.



Philip C. Habib, right, the U.S. Mideast envoy, and Samuel W. Lewis, U.S. ambassador to Israel, left, a meeting in Jerusalem on Friday after talks with Prime Minister Menachem Begin. They reportedly had offered a new American proposal on troops in Lebanon.

Soviet Union Indicates Readiness To Compromise at Madrid Talks

By John Darnton
New York Times Service

MADRID — The Soviet Union said Friday that it was prepared to reach a compromise to bring the stalled Conference on Security and Cooperation in Europe to a "successful and immediate conclusion."

Both Eastern and Western diplomats from among the 35 nations attending the conference greeted the move with relief and suppressed optimism. They saw it as something that could finally break a logjam, making nearly three years of hard bargaining worthwhile and perhaps even breaking a bit of life back into East-West doldrums.

The diplomats have begun talking again about a "spirit of Madrid," a nebulous concept that seems to mean that if both sides sit down long enough and try hard enough, they can eventually come to some understanding.

If, as now seems likely, the conference produces a final document laying down further pledges to respect human rights and strive for disarmament, it would be the first significant agreement between Moscow and Washington since the Soviet intervention in Afghanistan in December 1979.

It would also be the first significant step toward closer cooperation between the Reagan administration and the new Soviet leadership headed by Yuri V. Andropov, coming at a time of increased tensions over threatened arms buildup and the scheduled deployment of U.S. medium-range nuclear missiles in Europe.

Delegates did not rule out the prospect of a major show of rare East-West accord that could take place at a signing ceremony in Madrid within the next few weeks. They speculated that both the Soviet Foreign Minister, Andrei A. Gromyko, and the U.S. Secretary of State, George P. Shultz, would find reasons to attend.

The final agreement that seems likely to emerge, the product of literally hundreds of hours of bargaining and word splitting, is a balanced "document" with phases and minuses for both sides.

It does not contain many of the strong proposals to expand human rights that were sought by the North Atlantic Treaty Organization countries in such areas as the explicit right to form free trade unions, a prohibition against radio jamming, and the setting up of citizens groups to monitor human rights.

But it does, in the view of Western delegates, advance the "Helsinki process" through a series of pledges to combat terrorism, to guarantee religious freedom, to allow nationals access to foreign missions, and to permit journalists to "establish and maintain personal contacts and communication with their sources."

The document also contains what had been a major Soviet objective, to consider "confidence-building measures" to guard against surprise attack in Europe and, at a later stage, to tackle disarmament. In the current version of the document, the conference would begin in Stockholm next January.

Two weeks ago the two sides were at an impasse, although they had narrowed their differences considerably. At about this point, the Spanish government intervened. Prime Minister Felipe Gonzalez invited the delegates to adopt a Spanish compromise. The West accepted the Spanish proposals, but the Soviet bloc, until Friday, had insisted that it could make no further concessions.

U.S. Plan on Lebanon Is Rejected by Begin

By John M. Goshko
Washington Post Service

WASHINGTON — Prime Minister Menachem Begin has rejected a new U.S. proposal that Israel consider fixing a "date certain" for total, unilateral withdrawal of its troops from Lebanon as a means of putting pressure on Syria to pull its own forces out, a Begin spokesman said Friday.

Mr. Begin met in Jerusalem on Friday with the special U.S. envoy to the Mideast, Philip C. Habib, but an Israeli government spokesman, Uri Porat, said the prime minister had already turned down the American proposal, which was disclosed here Thursday night.

The U.S. plan, advocated by Secretary of State George P. Shultz and approved by President Ronald Reagan, was presented to Israeli officials in Jerusalem on Monday by Mr. Habib, informed sources said.

The sources said Mr. Shultz had become convinced that there was little chance of engaging Syria in a "friendly dialogue" and that a new approach was needed to achieve the withdrawal of all foreign forces from Lebanon.

In Jerusalem, Mr. Porat said Friday that the U.S. proposal was not "an outright demand, but one of several ideas raised by Habib concerning timetables" for withdrawal.

He told The Associated Press that all the ideas "are being studied in the context of our agreement with the United States, and we coordinate our moves."

Mr. Shultz and Mr. Habib were reportedly the sources as hopeful that if Israel publicly committed itself to leave Lebanon at a fixed time, Syria would appear as the re-

calcitrant party in the Lebanon crisis and would be subject to increased pressure from other Arab countries and the international community to be more cooperative.

However, the sources insisted that the move was not a repudiation of the agreement made said Friday.

Six senior PLO officials left Tunis for Syria in a bid to patch up ties with Damascus. Page 2.

Between the United States and Mr. Begin's government following the Israeli-Lebanese peace accord worked out with Mr. Shultz's help seven weeks ago.

It was agreed then that Israel was not obligated to pull out of Lebanon unless there was simultaneous withdrawal by Syria and the Palestine Liberation Organization forces in Lebanon under Syrian protection.

Instead, the sources stressed, the idea was presented to the Israelis as an option or suggestion for consideration when the Begin government decides whether to stage a partial withdrawal that would remove its forces from central Lebanon and redeploy them in the south, near Israel's northern border.

According to the sources, Mr. Habib was instructed to make especially clear to the Israelis that the United States is not changing its policy and will not pressure Israel to withdraw unilaterally from Lebanon at this will.

The sources added that the Israelis accepted the idea in that spirit and, while unenthusiastic initially, agreed to consider the idea.

The first news of the latest U.S. approach was revealed by the Mid-

dle East Police Survey, a Washington newsletter, in its issue scheduled for release Friday. The sources confirmed that the main outlines of the proposal described by the newsletter were correct.

However, the sources disputed the newsletter's contention that the proposal marked "a stunning change of policy," that the administration intended to "press" Israel to adopt a withdrawal date and that Mr. Shultz and President Reagan conceived the plan "against the run-unconscious advice of their leading Middle East experts."

Similarly, while the sources acknowledged that there had been considerable skepticism among State Department officials about whether the plan had a chance of working, they denied the suggestion that Mr. Shultz had repudiated the advice of the department's bureau of Mideast affairs.

Instead, the sources said, the plan stemmed from Mr. Shultz's conclusion that the United States had originally been too optimistic in believing that Syria would cooperate in a Lebanon pullout and that the problem had to be approached differently.

During talks here two weeks ago, David Kimche, director general of the Israeli Foreign Ministry, made clear that Mr. Begin would soon respond to strong domestic discontent over Israeli casualties by retrenching his forces to more defensible positions.

U.S. officials fear that such a partial withdrawal would leave a void of authority in central Lebanon that could cause new outbreaks of civil war and make the Syrians even more recalcitrant.

Italy Sorts Out Election Results

No Party Claims A Clear Victory In 'Protest' Vote

By Henry Tanner
International Herald Tribune

ROME — Italians despite their reputation for volatility, are so stable in their voting habits that the loss of less than 6 percent by the leading party, which would be considered unremarkable in most countries, created a wave of national soul-searching.

There is a strong feeling that this week's election may turn out to be one of the most important since the

NEWS ANALYSIS
war. "Historic" and "crucial" are two of the words most frequently used to describe them. But there are so many contradictions in the election results that more questions were asked than answered.

The identity of the loser, of course, is clear: the Christian Democrats. But, significantly, neither of the other major parties — the Communists and the Socialists — have made any serious victory claims.

There is a consensus that the election was above all a "protest vote." People voted against the established parties and against the established politicians, and because for the past 28 years the Christian Democrats have been the most established party of them all, it was logical that the protest should be directed against them.

But the Christian Democrats' losses — 5.4 percent in the Chamber of Deputies and 5.8 percent in the Senate — clearly did not go to the Communists, the traditional enemy, who themselves lost a half percent of their vote in the Chamber and 0.7 percent in the Senate.

The gap between the two parties thus has become narrower than it has ever been since World War II. And that probably is the most important point in the election results.

Once again, the Communists failed to overtake the Christian Democrats. If a surprise, an overtaking had taken place, the Italian political scene would have been transformed instantly. The Communists would have become the focal point for all kinds of leftist forces in the country, and a Communist-dominated minority government would have become conceivable. That has not happened.

As it is, Enrico Berlinguer, the Communist Party leader, who had been in a slump, has gained some new freedom of movement for the future.

Betting Craxi, the Socialists' leader, who brought down the previous government — his third in a row — is not among the winners either.

He would have needed a gain of 3 percent to 5 percent from the last national election in 1976 to establish an irresistible claim to becoming prime minister in alliance with the Christian Democrats. Instead the Socialists gained 1.6 percent in the Chamber and 1 percent in the Senate.

Mr. Craxi remains a potent (Continued on Page 2, Col. 2)

Soviet Linkup Is Test Of Assembly in Space

By John Noble Wilford
New York Times Service

NEW YORK — Soviet space officials, who have been saving for years that their goal is to assemble large space stations, watched a step in that direction Thursday night when two cosmonauts aboard the Salyut-7 opened the doors to a huge attached module.

The new component is expected to afford greater capacity and maneuverability in Soviet manned space operations, and provide a further step in the goal of module-by-module assemblies in space that would be the base of operations for rotating crews of cosmonauts and would serve as a launching pad for satellites destined for distant space.

In reporting the events, Tass gave some of the most detailed descriptions to date on the methods and directions of the Soviet space station program.

Describing the module, Cosmos-1443, as a "space tugboat," Tass said it has sets of thruster jets that can be used to alter the orbit of the entire complex. The three assembled vehicles weigh about 50 tons.

The Cosmos module weighs almost as much as the Salyut and includes a section that can be returned from orbit.

The cosmonauts are working in what is essentially a three-part assembly consisting of the Salyut station, the Cosmos module that joined the Salyut nearly four months ago and the Soyuz craft they arrived on Tuesday.

At the time that the Cosmos linked up by remote control with the Salyut in March, U.S. space experts speculated that it would double the size of the Salyut and is thus a major test of Soviet ability to assemble large space stations for occupancy by crews of as many as six cosmonauts. Tass confirmed this.

The Soviet Union has moved quickly to reach this point in its space program. In 1981, a similar Cosmos vehicle was linked up with the Salyut-6 after the Salyut-6 had been decommissioned as a manned vehicle.

At the time, Konstantin Feoktistov, a Soviet cosmonaut, said the Cosmos is a "prototype space module of the kind that will be linked together to form a multipurpose orbital station." Some of the modules, he added, could be outfitted as scientific laboratories or Earth observatories, and others, called lounge modules, would provide additional living quarters.

Soyuz announcements are vague on the plans for the Salyut-7 crew launched Monday.

Marco Pannella, left, the leader of Italy's Radical Party, talked through courtroom cell bars with Toni Negri, one of more than 70 persons charged with terrorist activities in the 1970s. Mr. Negri, arrested in April 1979, was elected to the Chamber of Deputies from the Radical Party. He is expected to be freed under parliamentary immunity.

Czech Leaders Freeze Relations With Vatican

By Roger Cohen
Reuters

VATICAN CITY — The Communist government in Czechoslovakia, nervous over the role of the Roman Catholic Church in Poland, has frozen relations with the Vatican, sources said Friday.

Relations between the Vatican and Czechoslovak authorities have always been among the most difficult in the Eastern Bloc, but the sources said they had recently worsened and dialogue had been broken off.

The Vatican has made four attempts since the emergence of the Solidarity trade union in Poland in 1980 to reopen what had been regular talks with Prague, but all have been rejected, they said.

"One may now state that relations, although not officially interrupted, are completely frozen. Our most recent invitation to start talking again, made in recent months, did not even get a reply," said one Vatican official, who declined to be named.

The sources said the support Pope John Paul II and the Polish church for the developments in Poland that preceded the imposition of martial law in December 1981 had led Prague to reinforce dramatically its hard line toward the church.

Shultz and Gromyko Exchanged Letters on Future of Afghanistan

By Don Oberdorfer
and William Claiborne
Washington Post Service

NEW DELHI — The United States and the Soviet Union have recently exchanged letters on the future of Afghanistan, but it remains questionable whether an international accord involving the withdrawal of Soviet troops can be arranged, U.S. Secretary of State George P. Shultz said Friday.

Mr. Shultz spoke of his correspondence with Soviet Foreign Minister Andrei A. Gromyko, which U.S. sources said took place in May, at a news conference on the last afternoon of his visit to India.

Saturday Mr. Shultz is to fly to Pakistan, where the subject of the international negotiations on Afghanistan and other Afghan-related topics will be at the top of his agenda.

According to officials accompanying Mr. Shultz, the letter to Mr. Gromyko was prompted by reports that Soviet diplomats in several capitals were saying publicly and privately, that the United States really did not want a diplomatic resolution of the Afghan question but was bent on keeping the problem alive as an international pressure point against Moscow and a drain on Soviet resources.

Mr. Shultz said the purpose of his letter was "to assure the Soviet Union as we have assured others who are involved that we wish to see it settled." U.S. policy, he added, is to see a settlement based on United Nations guidelines, which involve withdrawal of Soviet forces, return of refugees, self-determination for the Afghan people and an independent, nonaligned Afghanistan.

He did not divulge Mr. Gromyko's response, but other sources said it contained, in very blunt fashion, reiteration of previous Soviet positions with accusations against the United States.

A third round of UN-sponsored "indirect talks" between Pakistan and the Soviet-backed Afghan government has just been completed in Geneva. Pakistan's foreign minister, Sahabzada Yaqub Khan, who was informed of Mr. Shultz's letter to Mr. Gromyko during his May visit to Washington, will brief Mr. Shultz on the status of the Geneva talks.

Asked about reports of negotiations between India and U.S. weapons manufacturers for arms sales of nearly \$1 billion, Mr. Shultz said the matter had been discussed during his visit, but add-

ed, "whether or not there will be actual sales is an open question."

Mr. Shultz said that the United States was "prepared to make such sales" and that he had tried to clear up any misunderstandings in India about conditions for the sales. A senior State Department official said later that negotiations on a \$12-million deal for coproduction of machine guns with the Marmon Corp. fell through because of conditions attached to the contract.

India's reported interest in U.S. arms, coupled with recent purchase orders of Mirage fighters from France and weaponry contracts with Britain, has been heralded in India as a significant move toward diversification of arms sources. India's main supplier is the Soviet Union.

In response to a report in a West German newspaper, Süddeutsche Zeitung, that India signed a letter of intent last week for a \$5-billion arms deal with the Soviet Union, Mr. Shultz said, "I'm not aware of that transaction" and would not comment further.

According to the report, India's defense minister, R. Venkateswaran, signed an agreement during a visit to Moscow last week in which India would purchase an unspecified number of MiG-29s and produce under license MiG-27 fighters, as well as spare parts for sale to other countries who have MiGs.

The report also said that India would buy a large number of Iluyshin-76 transport planes, helicopter gunships, surface-to-air missiles and 672 tanks and would obtain an option for the next generation of Soviet tanks.

India was also reported to have obtained a promise for transfer of advanced technology.



Colonel Moamer Qadhafi, left, Libya's leader, meeting with King Hassan II in Morocco.

6 PLO Officials Sent to Damascus To Try to Repair Ties With Assad

Compiled by Our Staff From Dispatches

TUNIS — Six senior officials of the Palestine Liberation Organization left Tunis for Damascus on Friday in a new bid to patch up the deepening rift with Syria and end a two-month-old mutiny in Palestinian guerrilla ranks.

In Lebanon, the Palestinian cease-fire held in the Bekaa Valley on Friday despite the apparent failure of Arab mediation to resolve the crisis that shattered Yasser Arafat's grip over the guerrilla movement and his relations with Syria.

Meanwhile, a joint Algerian-Saudi team left Damascus without meeting Syria's president, Hafez al-Assad, who last week ordered Mr. Arafat out of the country.

Diplomatic sources said the mediators had hoped to arrange talks between Mr. Arafat and President Assad in Saudi Arabia early next week.

A member of the PLO delegation that left Tunis, Abdel Moneen Abu Maizar, said before leaving that the committee would meet with Syrian officials and the Palestinian officers leading the rebellion in the PLO's largest guerrilla group, el-Fatah.

Mr. Abu Maizar, an advocate of close ties between the guerrilla movement and Syria, said he and his colleagues "are determined to sort out this issue and stop bloodshed among brothers."

In an interview broadcast Thursday on Hungarian television, Mr. Assad played down reports of a serious rift with Mr. Arafat.

"As for whether our relations are cooling or warming, I, for myself, can speak of no cooling or warming. Our relation is just as it has always been."

"Not long ago I saw the executive committee of the Palestine Liberation Organization headed by

Mr. Yasser Arafat. But during the talks we had no problems or controversies to discuss. None of the members of the executive committee said that he did not agree with Syria in certain questions."

Mr. Assad said "the Palestinians

themselves are complaining about errors committed by the present leadership" of the PLO. He added: "They are all complaining, but, as I see, all would like to correct these errors and carry out reforms."

He said the PLO has "some organizational problems."

The six-man committee was formed after long meetings of the 15-man executive committee in Tunis on Thursday.

All six delegates are members of the executive committee, the highest decision-making authority in the PLO. But none of them was a member of Fatah. Mr. Arafat's own guerrilla faction, which has suffered the worst split in Palestinian ranks since the birth of the movement in 1965.

A communiqué issued at the end of the executive committee meeting at dawn Friday only expressed regret at what had been going on within Fatah, but made no reference to Syria's involvement.

It was a clear attempt to pave the way for the mediation of the six-man committee by ending the war of words.

The mediation committee, including, in addition to Mr. Abu Maizar, two independent PLO officials and a representative from the Popular Front for the Liberation of Palestine and the Democratic Front for the Liberation of Palestine, both Marxist groups.

■ Poll Backs Arafat

A public opinion poll in the Israeli-occupied West Bank and Gaza Strip showed that 92 percent of the Palestinians there support Mr. Arafat, the Jerusalem Post reported Friday.

The English-language daily said the poll showed 92.1 percent favored Mr. Arafat's continued leadership, 5.4 percent opposed it and 2.4 percent had no opinion. The Associated Press reported in Tel Aviv.

Spain, France to Test Their New Relationship

Reuters

MADRID — The new special relationship claimed by the Socialist governments of France and Spain will be put to the test at a weekend ministerial meeting dominated by major economic differences, officials said.

The Spanish see their contested bid to join the European Community as the main theme but France, struggling against a heavy trade deficit, is expected to seek to reduce its large imbalance with Spain, the officials added.

Spain's Socialist leaders started setting up special links with France and its Socialist government, after years of chilly relations, when they came to power last year.

The two-day meeting of ministers of foreign affairs, economy and trade, to be held near Madrid, follows a similar round of talks in January near Paris and a visit to Spain by Prime Minister Pierre Mauroy of France last month.

Spanish officials said that EC entry would be high on the list of issues to be discussed. But, they

King Hassan And Qadhafi Hold Talks

Relations Improving, Official in Rabat Says

Reuters

RABAT, Morocco — A senior Moroccan official said Friday that meetings being held between Colonel Moamer Qadhafi, Libya's leader, and King Hassan II of Morocco would result in positive relations between the two countries and reinforce Arab unity concerning the Middle East.

They have been involved in more than two hours of talks since Colonel Qadhafi arrived Thursday night on a visit aimed at ending more than a decade of bitterness in their relations.

Topics discussed by King Hassan and Colonel Qadhafi — who once urged Moroccan military officers to overthrow the monarchy — included the rift between Yasser Arafat, chairman of the Palestine Liberation Organization, and Syria, which expelled him from Damascus a week ago. Other topics included the Western Sahara and Chad.

Moroccan officials said the two sides were still at variance on several issues, among them Mr. Arafat's leadership of the PLO — strongly criticized by Libya and the U.S. role in the Middle East.

King Hassan is said to believe in the good intentions of the United States in its dealings in the Middle East.

The Libyan Embassy has said in a statement that Colonel Qadhafi is now intent on mobilizing all Arabs against Israel and setting aside minor issues.

Arab diplomats said this implied the shelving of the Libyan leader's disputes with moderate Arab leaders in Saudi Arabia, Jordan and North Yemen, all of whom he visited last month, and King Hassan.

Moroccan officials said Colonel Qadhafi's first trip to Morocco in 14 years was at his own initiative.

In 1971 and 1972, he outraged the king by openly supporting officers who unsuccessfully attempted to overthrow him.

Since 1976, relations between Libya and Morocco have been strained over Colonel Qadhafi's backing for the Polisario guerrillas fighting for the independence of the Western Sahara from Morocco.

■ Chad Involvement Denied

Colonel Qadhafi denied that Libyan forces were involved in fighting between troops loyal to President Hissene Habre of Chad and rebels supporting the former president, Goukouni Oueddei. Reuters reported Friday from Paris.

A battle in northern Chad last week, Colonel Qadhafi said: "We did not interfere in that battle. We do not intend to intervene. We shall not intervene again in Chad." The fighting was the latest in a civil war marked by swings in power between the Libyan-backed Mr. Goukouni and Mr. Habre, who is supported by France.

The English-language daily said the poll showed 92.1 percent favored Mr. Arafat's continued leadership, 5.4 percent opposed it and 2.4 percent had no opinion. The Associated Press reported in Tel Aviv.

WORLD BRIEFS

U.S. Releases Agent Orange Data

WASHINGTON (AP) — The death rate for pilots and crew members who sprayed Agent Orange in Vietnam has not been higher than that for a comparable group of veterans who were not involved in the defoliation program, the U.S. Air Force said Friday.

The results of the first government study on the effects of the herbicide were released at a Pentagon news conference. The air force said the study of 1,269 men found no indication that those who participated in the spraying are either dying at higher rates or from unusual causes than the comparison group.

For example, nearly twice as many men in the comparison group died of cancer as did those in the Agent Orange group. However, the study revealed nothing about the health of the Agent Orange crews. A second study is to be made public in October. Agent Orange contained trace amounts of dioxin, a contaminant considered to be the most toxic chemical made by man.

Evren Gives Up Chief of Staff Title

ANKARA (UPI) — President Gen. Evren gave up his title as chief of staff of the armed forces Friday in what seemed to be the military's first major move in a timetable for the transition of power to civilians.

Topics discussed by King Hassan and Colonel Qadhafi — who once urged Moroccan military officers to overthrow the monarchy — included the rift between Yasser Arafat, chairman of the Palestine Liberation Organization, and Syria, which expelled him from Damascus a week ago. Other topics included the Western Sahara and Chad.

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The announcement followed a report Wednesday in the Far Eastern Economic Review that Mrs. Thatcher had written a letter to the Chinese leader, Deng Xiaoping, that indirectly acknowledged China's sovereignty over the British colony.

China Takes Step to Discredit Mao

BEIJING (UPI) — China took another step Friday to discredit the legacy of Mao Zedong and establish a place in history for the country's current leader, Deng Xiaoping.

In a move a Western diplomat called "unprecedented," official press commentaries directly blamed Mao, the late Communist Party chairman, for Deng's purge nearly eight years ago.

The commentaries were published by virtually every newspaper in China to mark the publication of the "Selected Works of Deng Xiaoping," a collection of 47 speeches by Mr. Deng. Observers viewed their publication as part of an effort to establish Mr. Deng's legacy and, by extension, the legitimacy of his chosen heirs. Prime Minister Zhao Ziyang and the party's general secretary, Hu Yaobang.

Union Leaders Banished in Chile

SANTIAGO (AP) — Eight of President Augusto Pinochet's labor critics in Chile have been banished without trial to small towns in the frigid southern part of the country for the bitter winter, the unions said.

The three-month internal exile was the harshest measure in a crackdown on the broad protest against military rule. The eight leaders are believed to be members of the outlawed Communist Party.

Construction workers issued a statement Thursday accusing General Pinochet's secret police of torturing the union president, Sergio Troncoso, between his June 18 arrest and his banishment this week to the southern town of Manillan.

Court Blocks Dam in Tasmania

BRISBANE, Australia (Reuters) — Australia's highest court Friday stopped construction of a hydroelectric dam in a Tasmanian wilderness listed as one of the most beautiful regions in the world.

The scheduled construction has provoked demonstrations in Tasmania by thousands of conservationists. The court ruling immediately stops work at the site, including the cutting of access roads through rain forests.

The ruling also sets a constitutional precedent over rights of the federal government to intervene in the affairs of state governments. The ruling Labor government has opposed the dam, but the Tasmanian state government refused to halt work, saying it needed the dam for cheap electricity to attract industry and create jobs.

Foreign Minister Fernando Morán told the Senate on Thursday that he expected Spain to be admitted by the end of 1984 if EC members overcome grave financial reform problems holding up expansion.

With Mr. Morán and the French minister of external relations, Claude Cheysson, heading the talks, the meeting is to cover a wide range of bilateral and international issues, officials said.

Central America's conflicts figure high on Spanish concerns and both countries agree that the problems stem from internal ills rather than East-West conflict.

Spanish officials said that EC entry would be high on the list of issues to be discussed. But, they

said, Spain has stopped blaming France for blocking its application and accepts the need for internal EC reforms before the 10-nation community can expand.

French cooperation, however, would be crucial if Spain is to achieve its aim of gaining entry by the end of next year. France will hold the presidency of the EC in the first half of 1984.

Foreign Minister Fernando Morán told the Senate on Thursday that he expected Spain to be admitted by the end of 1984 if EC members overcome grave financial reform problems holding up expansion.

But there is an irony there. Mr. Spadolini was the foremost advocate of a policy of austerity, anti-inflationary measures and general government responsibility during the campaign. Those were the same themes that Craxi de Mita, the new secretary of the Christian Democrats, stressed. Mr. de Mita wanted to overhaul his party, make it "modern," remove it from provincialism and corruption.

Most Italian commentators are convinced that Mr. Craxi brought the government down in April because he feared Mr. de Mita and did not want to give him the time to reform his party.

Mr. de Mita clearly is the greatest single loser in the election. insiders say he made psychological mistakes with the party rank and file, but, in fact, he simply did not have time to carry out his scheme.

The irony is that many Christian Democrats who might have liked his approach voted for Mr. Spadolini instead. The same is true, in a different way, of the Liberals, who

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Fulfilled Promises and Big Failures: How Well Has Reaganomics Worked?

By Peter T. Kilborn
New York Times Service

WASHINGTON — Ronald Reagan entered the White House promising substantial reductions in personal income taxes, and with the arrival Friday of the third and final cut, he has delivered. Mr. Reagan also promised to fight inflation and to reduce the burden of government regulation. There, too, he has delivered.

These initiatives — on taxes, inflation and regulation — were the tenets of Reaganomics, a blend of orthodox conservative ideology and the little-tested theories of supply-side economics, which held that growth begins more with industrial expansion than in buoyant spending by consumers. Cutting income tax rates across the board was meant to encourage saving and investment by making both more profitable.

Today the president can argue that Reaganomics works. The economy of late has been bursting with the blossoms of even greater growth than Mr. Reagan had predicted. With stable prices and the resurgence of factory production, automobile sales, consumer spending and house building, Mr. Reagan and his advisers this week raised their estimates of the economy's growth this year for the second time.

"There is another view, however,

In the beginning of his term, Mr. Reagan promised year after year of strong and healthy growth. Instead, he delivered the longest recession and the highest levels of unemployment since the Great Depression. Early in 1981, the White House figured it could add 13 million

jobs to the economy by 1986. The record shows an addition of one million in 1981 and a loss of 900,000 in 1982.

The most striking failure, however, was the collision between the Federal Reserve, which until last summer sought to slow the inflation with tight money, and the administration, which with the first two phases of its tax cuts then in effect was seeking to revive the economy. Today, the White House touts the reduction of the inflation rate to below 5 percent, but a year ago it was Treasury Secretary Donald T. Regan, were berating the Fed for inducing a harsher recession than they thought necessary.

Partly as a result of its policies and the severity of the recession, the president also promised to reduce government spending and produce a balanced budget by the 1984 fiscal year, which begins in October. He and Congress did reduce spending, sharply in some areas. But the in-

creases in defense spending he sponsored and Congress authorized have far surpassed the reductions.

The White House is now looking at a budget deficit of more than \$200 billion in fiscal 1983, which ends Sept. 30, and nearly \$200 billion next year, far and away the biggest deficits in history. The president's closest advisers concede that such deficits, and the cost of borrowing to finance them, could send the high level of interest rates to stifling peaks and choke off recovery.

"The biggest mistake so far," said Rudolph G. Penner, who was the economist in the Ford administration's budget office, "was to urge this tremendous cut in taxes without reducing spending sufficiently. That is a major mistake

that will have profound long-run costs."

Those deficits, some Reagan critics contend, are running high deficits and who quote the devil of primitive Keynesianism that a structural deficit is no worse than a bad cold," said Paul A. Samuelson, a Nobel laureate at the Massachusetts Institute of Technology whose textbook has taught economics to a generation of college students.

The irony that some economists cite in the apparent success of the Reagan policies to date is that the old income-maintenance programs of President Lyndon B. Johnson and Roosevelt — Social Security, food stamps, welfare, unemployment benefits — insulated the economy enough to allow Mr. Reagan and the Federal Reserve to press on in their struggle with inflation.

As a theory of economics, Reaganomics has meant different things to different people. At first, it was a response to a national malaise that had defied the powers of Presidents Richard M. Nixon, Gerald R. Ford and Jimmy Carter. All had been stymied by a stubborn new phenomenon known as stagflation — stagnant growth with inflation.

"Two and a half years ago we feared the collapse of Western economies," said Jude Wanniski, one of the more prolific theorists of the new supply-side school. "There was a feeling we

had lost control. We didn't know how to hold things together. Stagflation was killing one president after another. We have a sense now that we have come close to solving that problem."

During the 1980 presidential campaign and in the days immediately after the election, an often bitter debate erupted that split the supply-siders, the monetarists, who preached that the Federal Reserve should practice rigid control of the money supply to bring down inflation, and a group of pragmatic conservatives who now dominate the administration and who, by trial and error, formed the policies that are now collected under the rubric of Reaganomics.

"What I thought it was all about was a series of unrelated things," said Martin S. Feldstein, who joined the administration as the president's chief economist in its second year. "Maybe it was healthy growth. It meant getting inflation down, increasing the real rate of economic growth and reducing the nondefense sector of the government."

The changes in the tax laws that Mr. Reagan sponsored, such as the reductions of rates in all income brackets and the resulting reduction of capital gains taxes, do indeed benefit the rich far more than the poor. But when asked at his news conference this week whether the often-

repeated charge that his policies boiled down to economics for the rich, the president said:

"The rich don't need my help and I'm not doing things to help the rich. I think I'm doing things to help all the people. But what I want to see above all is that this country remains a country where someone can always get rich. That's the thing that we have and that's the thing that must be preserved."

The results on his deregulation are mixed. The administration has freed much of the banking industry from government oversight, accelerated by a few months the decontrol of oil prices that the Carter administration had ordered, it has halted the preparation of many new regulations and it curtailed enforcement activities in the area of antitrust and consumer protection. But in other areas, such as the abolition of the Department of Energy and the Interstate Commerce Commission, there has been no progress.

At this point in the Reagan administration, said Allen Sinai, senior vice president of Data Resources, the economic consulting firm, "it's fair to say that Reaganomics is working."

"Every administration makes mistakes," added Mr. Penner, "but I think you judge them by how they correct their mistakes."

Jesse Jackson: He Sure Acts Like a Candidate

By Fay S. Joyce
New York Times Service

NEW YORK — It was a rather dingy auditorium in Memphis, Tennessee, and pretty early in the morning at that, but after 45 minutes of nonstop preaching the Rev. Jesse L. Jackson had 4,000 black Baptist ministers crying out the words that every potential presidential candidate loves to hear.

"Only 1 percent of American public officials are black, but we're 12 percent of the population — we're 46,000 short of our share," Mr. Jackson declared, sweat dripping from his face. He rattled off a string of state and local elective offices and urged his listeners to seek them.

"If you run, you might lose," he shouted. "If you don't run, I guarantee you'll lose! Run!"

"Run!" the multitude replied.

"If you run, your friends can't take you for granted and your enemies can't write you off," he told them. "Run!"

"Run!" they thundered.

"If we go from 10 million registered voters to 15 million registered voters, America will never be the same again. Run!"

"Run!"

"From the outhouse to the state-

house to the White House. All the way!" Mr. Jackson finished with a standing ovation.

Despite the rhetoric, that performance told more about Mr. Jackson's ability to move audiences than it did about his political plans.

He says he has not yet decided whether to enter the race for the 1984 Democratic presidential nomination, although a group of black leaders approved in June the concept of a black candidate seeking the nomination.

Although they do not necessarily want to force his hand, other politicians are watching for Mr. Jackson's next move, not only because of how it may affect the presidential election but also because the nomination.

Such criticism clearly irritates Mr. Jackson.

The catalyst, the evangelist comes to town and inspires people," he snapped. "It's the responsibility of those who remain to follow through." Walter Mondale doesn't stay in town and follow through. Billy Graham doesn't stay in town and follow through. Santa Claus doesn't stay in town and follow through. That's a double standard."

The leadership's job is to inspire people to help themselves," he said.

ability to articulate the concerns of the disadvantaged.

"I think it's a must," said City Councilman John Lewis of Atlanta. "For there to be someone out there calling America's attention to the problems and concerns of the poor." But Mr. Lewis said he would not necessarily back a bid by Mr. Jackson for the Democratic nomination.

In speeches and interviews, Mr. Jackson, who has known Mr. Jackson since both marched from Selma to Montgomery, Alabama, with the Rev. Dr. Martin Luther King Jr. in 1965, added: "There's a need for him to see an issue through, to see the completion of a campaign. Maybe this is it."

In May, Mr. Jackson launched a voter registration drive throughout the South to sign up blacks, who he said could change the tenor of national politics by replacing conservative Democrats in Congress with progressives.

Mr. Jackson confronts corporations in an effort to get them to hire more blacks at all levels, to use more black franchises, whole-salers and vendors and to do more business with black banks, lawyers, advertising agencies and insurance companies.

he said. "It's not to create a new form of domination."

Mr. Jackson founded Operation PUSH in 1971, following a rift with the Southern Christian Leadership Conference. The initials stood for People United to Save Humanity, but a few years ago the name was changed to People United to Serve Humanity.

In speeches and interviews, Mr. Jackson, a native of Greenville, South Carolina, emphasizes two needs for blacks: to register to vote and to achieve economic equality.

On broader national problems, he said, "the important thing is vision, to see what corporate America is doing or what the military budget is or what the problems with education are."

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The tactic carries with it the threat of a boycott. In the last year and a half, Mr. Jackson has won agreements from Burger King and Coca-Cola.

Mr. Jackson concedes that the agreements he worked out have created opportunities for relatively few blacks, but he said they serve as a model of what can be done.

An agency spokesman said the report, prepared by a consulting firm, would not be adopted for as long as a year, but plans have been made to begin cutting back staff and to turn over some functions to private companies.

The study proposes cutting weather service stations around the country from 269 to 250.

Representative James H. Scheuer, Democrat of New York, who chairs a House of Representa-

tives subcommittee that deals with weather and related issues, expressed some concerns about the study, saying: "We are concerned that this study seems to have originated from a very strong ideological bias — the goal ... laid out was to show that the weather ser-

vices could be cut in half."

One former high official of the agency said some parts of the report make sense, but he further asserted that some parts are totally flawed.

"Nobody really knows what you

can really reduce the system down

U.S. Study Urges Large Cutbacks, Automation for Weather Service

By Philip J. Hiltz
Washington Post Service

WASHINGTON — A study sponsored by the U.S. National Oceanic and Atmospheric Administration has recommended an automated weather service — halving the number of employees, closing 90 percent of the weather stations, eliminating the weather radio channel and encouraging private companies to provide weather services.

The report, released Thursday by the agency, envisions a streamlined, automated and technologically powerful weather service by the year 2000. It would concentrate sophisticated weather-sensing instruments in far fewer weather offices, and would end many services now provided.

This new weather service would take 15 years to put in place and would cost about \$680 million, but the report contends that the proposal will eventually result in savings of about \$38 million yearly by transferring or dismissing 1,700 weather service employees and eliminating the weather radio channel now used by about 5 million people, primarily boaters.

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"Nobody really knows what you

can really reduce the system down

to 10," said the former official, who asked to remain anonymous. "I can design a weather system based on eliminating all the weather stations but one, and I could provide weather forecasts from a single office. But the real question is not whether you can do it with one or 25 weather offices, but how well you can protect the public and industry doing it that way."

The report suggested that the weather service streamline itself by concentrating on a core mission to provide warnings of severe weather and general weather forecasts.

Presidential Panel Sees \$137 Billion in Savings

By B. Drummond Ayres Jr.
New York Times Service

WASHINGTON — A presidential advisory group has offered a detailed blueprint showing how the U.S. government could save \$137 billion over the next three years, two-thirds of it in military spending.

The study was one of a series on government savings that the Grace panel began issuing earlier this year. In the past, it has been criticized for being too business-oriented; Thursday's suggestions sparked more comments in that vein. But overall, initial reaction to the latest report was mixed.

Secretary of Defense Caspar W. Weinberger promised that the Pentagon would look at the military proposals "with care." But he said that at least \$76 billion of the \$92 billion that the panel asserted could be saved in military spending would require congressional action.

Other Defense Department officials said that for many years Congress has been reluctant to reorganize the Pentagon at the top, less power be concentrated there.

Unmarried Couples Living Together in U.S. Up Sharply

By John Wilke
Washington Post Service

WASHINGTON — The number of unmarried couples living together in the United States has tripled since 1970, according to the Census Bureau.

At the same time, the bureau said in a report Thursday that Americans are marrying later in life and divorcing more often, trends that have increased the number of children living with single parents by two-thirds in the last dozen years.

"One of the most striking trends we saw was the trend toward later marriage," said James A. Weed, chief of marriage and family statistics at the bureau. "It appears that men and women are returning to the pattern of later marriages popular in the early decades of the century."

This gradual upward trend in age at first marriage is most striking among women, who are marrying later than at any time since 1890, when the birth rate first began asking about marital status.

In 1890, the median age at first marriage was 26.1 years for men and 22 years for women. These numbers remained relatively stable for the next half-century, then began to drop dramatically after World War II. The trend hit bottom in 1950, when the average bride was 20 and her

husband 22.5. The age then began to climb to the current averages of 25.2 years for men and 22.5 years for women.

"We're almost back to where we were 90 years ago," Mr. Weed said, "but for very different reasons."

This trend, the report found, is accompanied by a narrowing gap between men and women in their ages at first marriage. It said "these changes suggest that the marriage pattern for women is becoming more like that for men as women pursue higher education and participate in the labor force before marriage."

More than half of American women over 16 are now working or looking for work, Mr. Weed noted, compared with 20 percent in 1890.

The report said the number of unmarried couples living together increased from 523,000 a dozen years ago to 1,863,000 in March 1982, when the survey was taken.

Although the increase in unmarried couples is "phenomenal," the report also found an increase in married couple households, from 44.7 million in 1970 to 49.6 million last year. "Thus," the study explained, "unmarried couples still represent less than 4 percent of all couples."

Mr. Weed added that the increase in the number of unmarried couples has slowed in the last two years.

The number of children in single-parent households

also grew rapidly between 1970 and 1982. The report said that more than 13.7 million children under 18 years of age lived with one parent last year, compared with 8.2 million in 1970.

This increase "is all the more striking in view of the 10 percent decline in the total number of all children under 18 that occurred during the 1970 to 1982 period," the report

INTERNATIONAL HERALD TRIBUNE

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That Briefing Book

Who me? says President Reagan about the Carter campaign papers: I didn't see them. I didn't know about them; I didn't use them, and besides, even if somebody used them, they couldn't have been much use.

Maybe. But somebody high in the Reagan camp, including a chief aide and the man who now runs the CIA, did see them. Somebody — the president's communications director, for one — did know about them. Somebody, including his budget director, used them and even wiser-cracked about having them.

The president has asked the Justice Department to study the legal issues. Why is he so evasive, and sanctimonious, about the ethical issues? Unless there is more heat than meets the eye, they are issues that honorable people can disagree about. Given a chance to clarify them and do some good, the president has so far squandered it.

What was in the papers prepared for Mr. Carter, which the Reagan camp received before the 1980 Cleveland debate? The question is barely relevant. Speaker Tip O'Neill knows what he is talking about when he says, "Briefing book or no briefing book, our candidate was extremely unpopular in the last election."

To have seen such briefing books is to know boredom. They endlessly recapitulate positions a candidate has taken over and over again. In any case, Mr. Reagan's success in the debate did not derive from some technical virtuosity stemming from purloined papers. When he exclaimed, memorably, "There you go again," his response had nothing to do with a briefing book. Nor did he need one to ask, in one of the best lines of his campaign, "Are you better off than you were four years ago?"

The issue is not the briefing book but how it got to the Reagan camp. Laurence Barrett, whose new book, "Gambling With History,"

started the flap, writes that it came from "a Reagan mole" in the Carter camp. Even if the law was not violated, the ethical questions are subtle and perplexing.

Imagine that you are managing a presidential campaign. Would you agree to plant saboteurs in your opponent's camp to lose schedules, disrupt meetings or issue fake position papers? No? Well, if not saboteurs, at least spies, to report on inside goings-on? No? What if someone from the enemy camp came to you offering to sell a stack of documents for, say, \$5,000? Would you buy? What if the informer, spurning money, offered a flow of information, insisting that he or she was motivated by principle? Or what if the information were not continuous but a one-time gift?

It's easy to pronounce piously against any such conduct in the cool light of 1983. In the heat of a campaign, we would guess that many people would accept a voluntary informer. In any case, how to draw the lines is difficult and how a particular politician draws them is illuminating. The country is entitled to hear the views of its most prominent politician.

What does the president say? Aside from bucking the matter to the Justice Department, he offers useless piety. "I don't happen to believe politics should have a double standard. No, I think it should be above reproach. And there shouldn't be unethical things done in campaigns." But what is unethical?

If Mr. Reagan means more than piety, let him describe, and take responsibility for, what his campaign staff did. Let him say at last where he thinks that fits on the scale of political mischief. And then there's one other thing.

If Ronald Reagan thinks politics should be above reproach, there's a decent way to make that clear. Apologize to Jimmy Carter.

— THE NEW YORK TIMES.

The New New South

In 1886, Henry Grady, proprietor of the Atlanta Constitution, proclaimed the emergence of a "New South." It was the first of a long string of similar proclamations of many of them deserved. The latest proclaimers of a New South is Bert Lance, who was President Jimmy Carter's first budget director and is now chairman of Georgia's Democratic Party.

Georgia seems likely to have one of America's earliest presidential primaries next year, so Mr. Lance has been addressing his current thoughts to candidates for the 1984 Democratic presidential nomination. His message to them is that you can't win without the South, and to win the South you must be a "mainstream" candidate who wears "conservative" stripes. You should be more interested in getting a Southerner vice presidential running mate (if you are not Southern yourself), Mr. Lance advises, than in propitiating Yankee interest groups like labor, blacks, feminists and gays.

All well and good. The candidates are grown-ups and they can evaluate advice from Mr. Lance or anyone else. But we think it is worth noting exactly in what ways the South that is touting is new.

Consider civil rights. The South now accepts national civil rights laws as much as the North does. Most Southerners in Congress supported extension of the Voting Rights Act. There is no need anymore for a Democrat (or Republican) to be especially "conservative."

— THE WASHINGTON POST.

Other Opinion

Such a Ludicrous Fuss

How can a single collection of infinitely predictable American position papers create such a ludicrous fuss? Part of the answer, of course, is Washington's continuing obsession with the glories of Watergate. But another part of the answer is rather more chilling. For all its easy amiability, and for all the panoply of reverence that attaches to the Chief, Ronald Reagan is still widely perceived as an actor of other people's scripts rather than a leader who thinks in his own right. To this day, every press conference is rehearsed beforehand with sides playing journalists. Mr. Reagan survived that [1980 television] debate because he was on autopilot throughout. Does it matter? Not much. Does it require? Not at all.

— The Guardian (London).

To anyone acquainted with the ways of the Washington press corps it is hard to suppress a wry smile at the whoop being raised over President Reagan's ethics in taking a peek at President Carter's briefing book. America's columnists, or some of them, flourish on political little-tattle. This is dubiously defended in the name of "open government." The Democrats are entitled to make a meal of it. That's politics. But when a Washington correspond-

ent comments, "Ronald Reagan walked into the biggest gamble of his life with loaded dice in his pocket," that's not politics. It's good old-fashioned sanctimonious humbug.

— The Daily Telegraph (London).

Italy 'Voted for Instability'

[Italians] voted for instability. There was an increase in the number who stayed away from the polls. Clearly the Italian people have a strong distrust in politics, and instability is nothing new in Italy. However, the Italian people seem to survive well their politics and governments and continue to live pleasant lives. This should make us all pause to think.

— The Daily Yomiuri (Tokyo).

The somewhat sluggish Italian election campaign has ended with a clear weakening of the Christian Democrats but without giving the Socialists the stimulus they had hoped for. There will be some tough bargaining before a government can be formed, and there seems considerable doubt whether the new makeup of Parliament will help to solve the deep economic crisis. Only in the long term does the relative strengthening of the center give some ground for hope of a gradual improvement.

— Neue Zürcher Zeitung (Zurich).

FROM OUR JULY 2 PAGES, 75 AND 50 YEARS AGO

1908: 'Revolution' in Mexico

EAGLE PASS, Texas — A prominent member of the Junta which is responsible for the Mexican outbreak has been an exile but retains the confidence of his radical countrymen and is fully informed of what they are doing. After exacting a promise that his name would not be used, he said, "It's the beginning of the revolution. It was not 'slated,' as you call it, but it comes from the condition of the people ... We do not regard Mexico as a Republic. The people are kept under foot politically, the public school system is deficient, there is no freedom of the press and no chance for the poor man. The land is divided into vast estates, and this yoke upon the peons cannot be lifted except by the sword."

1933: Valet Defends Maupassant

PARIS — The popular theory that Guy de Maupassant was insane when he wrote his novel, "The Horla," has been exploded in an interview with his valet, Francois, by the "Paris Soir." Francois '78, said that Maupassant was perfectly lucid at the time he wrote the book in August 1887. The idea for the novel was inspired by a conversation he had with a friend who told him of a man who felt himself going insane, the valet recalled. Maupassant said the idea was strange and would intrigue the reader. It was not until 1891, four years after the writing of "Horla," that Maupassant began to feel insanity creeping over him. His novel can therefore be considered as an intuition rather than a recording of experience.

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Mitterrand Faces a Disoriented France

By Flora Lewis

PARIS — This year's key elections are completed in West Germany, Britain, Italy and Japan, leaving the West a breathing space of political stability until Americans vote in 1984. But French politics are in growing ferment.

No national elections are due in France until the National Assembly term expires in 1986. The seven-year mandate of Socialist President François Mitterrand runs until 1988. Still, the opposition is breathing hard, encouraged by conservative successes elsewhere and even more by highly favorable French opinion polls.

The feverish debate is somewhat misleading, as though somebody had forgotten to shake the thermometer down first. On the basis of local elections and opinion sampling, neo-Gaullist leader Jacques Chirac proclaims that the government has lost its "moral mandate." He has called for a referendum on economic policy. Others demand early legislative elections.

Opposition press attacks on the government have gone to the point of charging "Sovietization of justice" and "glorification of crime," extravagances that Premier Pierre Mauroy denounces as "outrageous caricature."

But Mr. Mauroy contributed to the temperature in a long newspaper article pleading peacefully for "another kind of debate." He accused the opposition of "deliberately ignoring the rules of the republic" and trying to push public opinion "beyond the framework of law."

He stopped short of accusing opponents of stirring up a climate for a putsch, but said they were failing in respect for democracy. Thus, heavy words are being exchanged at a time when the country is in serious economic trouble and people are nervous and disgruntled.

Doctors, students, subway workers, farmers, shopkeepers, prison guards have taken their turn

at strikes and boisterous demonstrations. The press, especially the pro-Socialist press, has been badly squeezed by a drop in advertising due to the recession. Some leftist papers may not survive, which bothers the government. Bankruptcies are frequent. Unemployment still mounts, although not as rapidly as before, and welfare funds are running out.

The government has reversed its misguided policy of retrenchment. Now it has had to tell people that austerity, launched this spring ostensibly through the end of the year, will have to continue with a maximum growth of 1 percent in 1984.

Tensions between the majority Socialists and their Communist coalition junior partners are mounting. This is one area where Mr. Mitterrand's original calculations have been successful. His anti-Soviet, pro-allied defense policy has caught the Communists in a bind. They don't like the austerity policy either, but they have to choose between pulling their punches or quitting the government, which would mean losing a lot of middle-level as well as senior posts.

If they do turn on Mr. Mitterrand, bringing the unions they dominate out on strike and filling the streets with demonstrators, they risk more visible failure. Some of their rank-and-file is sickly for a good confrontation, but the leadership is cautious. The result could well be a resurgence of support for the president, as happened after the leftist upheaval in 1983, and another sharp drop in the Communist vote.

Some think it would be in Mr. Mitterrand's interest to encourage such a break. He is not likely to move. He is a clever man, but a tightrope walker rather than a charger by

temperament. People are beginning to ask if he is weak. He seems more concerned with holding together fractious elements in his Socialist Party, some of which might split off if the Communists are provoked, than with demonstrating his firmness of decision to the public.

This is probably a mistake, because there is a good deal of evidence that the country would grit its teeth and buckle down to lean years that most recognize as inevitable, if only there were a clearer sense of where the president is leading.

No mistakes have been admitted. So far the argument is that the government will revert to the socializing, inflationary policies it started with after the current, unpleasant interruption.

That does not inspire sacrifice. To take advantage, Mr. Chirac, who is mayor of Paris as well as a sure presidential candidate, is trying to use next year's elections to the ineffectual European Parliament as a bellwether of the government's doom. He is suddenly enthusiastic about a "European momentum," an abrupt about-face from his previous fierce attacks on European elections as a road to "decadence and resignation."

The energetic mayor is far more sensitive to tactics than to strategy. With so much gloom in the air, he, too, is bringing people into the streets, but to dance to bands set up in the squares under banners reading "From the Majority of Paris." All this is reinforcing natural French cynicism. France is now the queer, disoriented country of the West.

Mr. Mitterrand has the good fortune of a tradition that assures several more years before a real test, and the beginning of recovery elsewhere that will help France. Prophecies of catastrophe are wild. But luck won't be enough to perk up his country.

The New York Times

The Show Is Better In Canada

By Stanley Meisler

O TTAWA — In their polite, self-deprecating way, many Canadians are convinced that their political nominating conventions are only a pale imitation of the rip-snoring, high-powered, dramatic conventions in the United States. "These don't compare to our conventions down there," a woman delegate said in the din of the recent Progressive Conservative Party convention that named Brian Mulroney of Quebec as the party's choice for prime minister.

The Canadian convention — with its bands, banners and balloons, with all its noise and euphoria — does resemble the American convention. After all, the Liberal Party was trying to emulate the success of American conventions when it held Canada's first leadership convention in 1919.

But Canadians are dead wrong when they look on their version as a poor cousin. It has excitement and poignancy that have long since disappeared from their U.S. counterparts.

Mr. Mulroney, in second place for three ballots, finally won the party leadership on the fourth. An American convention has not needed more than one ballot for a presidential nomination since the Democrats nominated Adlai Stevenson in 1952.

The Canadians who have no primary system and no votes bound by law, use secret ballots. Delegates can walk around sporting the badge of one candidate while voting for another. A delegate need not fear the wrath of a political boss, who will never know what happened in the voting booth. There are no sure votes.

The tension is heightened because the candidates, unlike American candidates, are seated on the convention floor while the voting is going on and when the results are announced. The candidate, who has only an educated guess, cannot hide his disappointment if the total falls below his hope.

Before the results of the first ballot were announced, former Prime Minister Joe Clark tried to work out his nervousness by tapping some papers against a seat and singing with strained enthusiasm as the band played "Roll Out the Barrel." When he heard his total on the first ballot — 1,091 votes — he laughed, clapped and hugged his wife. Although short of the majority, it was about as much as he had expected. But then he heard the vote for Brian Mulroney — 874 votes, much too close for comfort. Mr. Clark screwed up his face in disappointment, and said nothing.

Only Mr. Clark and Mr. Mulroney were left on the fourth ballot. Mr. Clark would win if he could attract about half the votes from the last candidate who was eliminated, John Crosbie of Newfoundland. That was unlikely but still possible.

Since the votes were announced in alphabetical order, Mr. Clark was seated with one hand on his knee and the other on his chin as the chair announced that he had 1,325 votes. "That's it," he said. He looked toward his mother, then his wife. He had the trace of a sick smile, then the open-lipped look of someone who had just had the air kicked out of him.

After each announcement of the results, the candidates had only half an hour to maneuver before the voting for the next round began in booths off the floor. The limited time forced some politicians to try their dealing in full view of the delegates and television cameras.

After the second ballot, Newfoundland's Premier Brian Peckford rushed to Mr. Clark to try to persuade him to withdraw in favor of third-place Crosbie and thus prevent the election of second-place Mulroney. "We're going up right now," Mr. Peckford told Mr. Clark, "and you're not." But Mr. Clark refused.

When a candidate does withdraw in favor of another there is added drama. Unlike American delegates, Canadians are not seated by geographical area. A different section of the hall is reserved for each candidate, and his supporters tend to cluster around him. Candidates who withdraw or are eliminated walk around the floor with their followers and enter the section of the candidate who has won their support.

This has the air of a party game, for until the withdrawn candidate stops it is not clear where he is going. Los Angeles Times

Uruguay: The Embassy Fell Silent

By Lucy Komisar

LOS ANGELES — Much international attention has been focused on the Argentine army's responsibility for the "disappearances" of more than 20,000 of that regime's opponents in the 1970s. But just across the Rio Plata is an Argentina in miniature whose military is just as brutal, whose critics have been imprisoned or made to "disappear," and whose 3 million people have lived under dictatorship for 10 years.

Now Uruguay, too, is theoretically

in the process of a "transition to democracy" announced by a military that lacks the capacity to deal with the country's economic crisis.

It is not difficult, then, to imagine the sizable opposition to General Pinochet among workers and the poor. Nor is it surprising that the labor movement, headed by a coalition of five labor groups, has spearheaded the recent protests.

General Pinochet's policies have been no better for much of the private sector. The drastic lowering of tariff barriers and other measures designed to open the economy to the discipline of the world marketplace have swept away many producers. In 1982 the country's largest textile producer declared bankruptcy, as did many small firms and several of the largest industrial concerns.

It was that situation that brought three other North American journalists and me to Montevideo in April. We represented PEN American Center, the Committee to Protect Journalists, and the Canada Center for Investigative Journalism.

We found an Orwellian nightmare of military dictatorship.

With totalitarian efficiency, the country's citizens had been classified as A, B or C, depending on whether

they enthusiastically backed the regime, failed to demonstrate support for it or opposed it. The B and Cs suffered economic reprisals.

The press is forbidden to refer to the regime as a dictatorship or to say there was ever a coup. It may not attack the "morale" of the military, print information that "threatens order," provoke "contempt for the nation" or its authorities, or mention the existence of nearly 1,000 political prisoners, more than 100 "disappeared" persons and 15,000 people whom the government has "proscribed" from political life.

The Show Is Better In Canada

By Stanley Meisler

INTERNATIONAL HERALD TRIBUNE, SATURDAY-SUNDAY, JULY 2-3, 1983

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Time Lag Forces Experts to Reset Clocks

Astronomers Add a 'Leap Second' Because the Earth Is Slowing Down

By Ken Ringle
Washington Post Service

WASHINGTON — The world, like many of us, isn't quite as fast as it used to be, so astronomers Thursday night declared a brief time out.

It only lasted a second, but about 40 people in the Time Service Division of the U.S. Naval Observatory in Washington planned the operation carefully.

In the world of navigation, where time is distance, these things matter. If your watch is fast, your missile will fall on the wrong people, among other difficulties.

It's all very well to say, as Webster does, that a day is how long it takes the world to spin once around. But what if that spin takes longer one day than it does another? Besides, who times the timer?

Enter the atomic clock, a suitcase-sized, 170-pound (77-kilogram) box that looks like James Bond's stereo. The observatory has

about 30 of them, stowed around the grounds in various vaults.

While 60 telescopes and observatories around the world and two dozen satellites monitor the Earth's rotation to calibrate universal astronomical time, which used to be good enough for everybody, atomic clocks calculate atomic time, which ignores the world, sun and moon altogether.

The standard interval of atomic time is the "international second," defined in 1967 by the 13th General Conference of Weights and Measures as the resonant frequency of the cesium atom.

Astronomers prefer to add them either at the year's end or the half-year mark. Leap seconds have been added for the past two years on June 30.

On Thursday night, the world was running three-tenths of a second behind the atomic clock. The second was officially inserted at the end of the final minute of June 30 at the Greenwich Observatory in England, home of Greenwich Mean Time where all longitude begins.

After insertion of the leap second, atomic time was eight-tenths of a second ahead of the world, but that is expected to correct itself.

By the laws of physics, cesium gives off electrons best when fed on

electromagnetic frequency of 9,192,631,770 cycles a second.

Atomic time is so uniform it varies less than one billionth of an atomic second a day, but it tends to get ahead of astronomical time over the long haul, which confuses things almost as much as daylight saving time.

By international agreement, scientists have decreed the two time systems can never be more than eight-tenths of a second apart.

"Leap seconds" are added when necessary to bring the atomic clock in line with real time.

Astronomers prefer to add them

slowly during the coming months as the Earth winds down.

Exactly why the Earth is running down is as complicated as the atomic clock.

So sluggish has the Earth become over the years that our days are probably four hours longer than those experienced by, say, a stegosaurus.

The slowdown, according to Alice Babcock, an astronomer, is the inevitable and mathematically predictable result of tidal friction, the gentle pull of the moon's gravity over the millennia.

Other variations, some fast, some slow, come from relatively predictable seasonal conditions — heating and cooling of land surfaces and winds on the mountain ranges.

But that leaves a third set of variables over which astronomers and geophysicists puzzle — fluctuations in the rate of the Earth's spin that cannot be explained.

Some hypothesize they come from volcanic upheavals within the Earth's molten core — shifts in mass that accelerate or retard the planet's rotation on its axis.

When they will necessitate another leap second, no one can say.

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ARTS / LEISURE

Josef Albers: 'Second Home'By David Galloway
International Herald Tribune

BO TTROP, West Germany — On June 25, George Bush and Helmut Kohl were among the guests who watched Disneyland figures parading the streets of Krefeld, together with angry anti-antisemite demonstrators who saw an opportunity to express their concern by attacking Bush's car. More demonstrations and more subtle ironies awaited them later in the day, when the U.S. vice president and the West German chancellor heli-coptered to the opening of the Josef Albers Museum in Bottrop.

It is 50 years since the Nazis denounced the Bauhaus as a "Bolshevik hatchery," and Josef Albers fled to the United States with his Jewish wife, Anni. It was her decision to present the city of his birth with 90 paintings and 250 graphic works that document the full span

of the artist's achievement. "In a lin and apprentice years as a schoolteacher, Albers joined the newly formed Bauhaus in 1920 as director of the glass workshop. He also designed wallpaper and furniture, including the first bent laminated chair intended for mass production, and offered the introductory course required of all entering students. It was the exile's reputation as an educator that won him a position at the experimental Black Mountain College in North Carolina, where he remained from 1933 until 1949, earning a reputation as the greatest disciplinarian in America." A decade as chairman of Yale's Department of Design would follow, and only after his retirement from academic life did Albers win serious attention as a painter.

Today his reputation rests primarily on the series of paintings entitled "Homage to the Square," begun in 1949. As in a Bach fugue, these nests of colored squares state and restate the same themes and variations without exhausting their vitality. Despite the austere, reductionist structure, they are sensuous works whose intricate tonal relationships shift with the slightest alteration of the light in which they are viewed. Their formal implications were stated in "The Interaction of Color," which Albers published in 1961 and which has since been translated into eight languages.

In 1965, the Museum of Modern Art in New York included Albers in an exhibition entitled "The Responsive Eye." The retinal flickers produced by his canvases suggest links to the floating squares of Mark Rothko, as well as to the Pop-oriented works of Robert Indiana. There were obvious parallels to such hard-edged abstractions as Ellsworth Kelly, Barnett Newman and Ad Reinhardt. Albers became the honorary godfather of the Op Art vogue. That so many contrary movements could claim him suggests the seminal nature of his own experiments, though even as a painter he remained the pedagogue. Rejecting all excess of individual self-expression, he clung to the belief that art's role lay in the training of consciousness.

The stringent philosophy brought him into unavoidable conflict with his most brilliant and idiosyncratic student, Robert Rauschenberg. "I was Albers' dunces," Rauschenberg recalls, "and I represented everything most." But the student still gratefully remembers the discipline and the techniques of self-criticism he learned at Black Mountain. For such prominent Albers protégés as

Max Bill, Richard Anuszkiewicz and Eva Hesse, and for the thousands of less celebrated students who passed through his classrooms, a motto evolved to express the master's real influence: "He taught us to see, and he taught us to live."

In the years following his retirement from the academic world, Josef Albers collected 14 honorary doctorates, and the Metropolitan Museum honored him in 1971 with its first retrospective offered to a living artist. The following year, the city of Bottrop celebrated its most famous son through an elegantly functionalist museum building christened Das Quadrat (The Square), to which the artist donated six paintings. Following his death in 1976, plans were launched for a separate museum to house a collection of his works and to serve as a European center for the study of his theories.

The Albers Museum, like the Quadrat, is constructed in the steel, concrete and aluminum that are idiomatic to the Ruhr district. Linked by a graceful glass-enclosed bridge, the two buildings frankly proclaim a Bauhaus heritage, but their rigid geometries are softened by the birch forest in which they are sited. The museum consists of an airy series of galleries that themselves seem spatial abstractions, and in which the canvases assume a suspended, meditative quality that complements the artist's intentions. This belated homecoming enriches Germany's cultural landscape, but the dedication ceremonies were not only inspired by political protests. They were also, and inevitably, shadowed by the memory of totalitarian horrors which many of Josef and Anni Albers' contemporaries did not survive.

Price Contrasts Mark Monte Carlo SaleBy Sourou Melikian
International Herald Tribune

MONTE CARLO — Despite the impression of growing prosperity created by the series of record prices paid for a wide range of works of art, the market is not nearly as healthy as professionals would like it to be.

Extraordinary contrasts in prices may be observed within the same category, often in the same sale.

THE ART MARKET

This could be verified on a spectacular scale at Sotheby's auction of Old Master paintings conducted at Monte Carlo on Sunday. True, the French Riviera may not be the ideal place to sell 17th- and 18th-century French and Italian pictures of a high order and Sunday at 11 A.M. is clearly not the best of times. However, this should affect second- and third-rate works rather than major pieces. These art market professionals keep arguing, are in such short supply that they will climb to the top anywhere, regardless of circumstances. The Sunday sale has hardly proved their point.

The first important painting was a preliminary study in oils by Tiepolo for a composition executed by him on a ceiling in the Palazzo Pisani-Moretto in Venice. The *modella*, an art historian call such a study, actually shows some substantial differences with the finished study, making it more interesting. Known since the turn of the century, the study has been illustrated both by Antonio Morassi in his complete catalog of Tiepolo's paintings, published in 1967, and by Guido Piovene in "L'Opera Completa di Giambattista Tiepolo," 1968. That went reasonably well, thanks to the two leading London firms, Agnew's and Colnaghi's, who fought for it. Agnew's eventually won the battle at £1,760,000 francs — a fair price.

The next excellent lot was a pair of exquisite views in gouache by Marco Ricci, one of a farmhouse in a courtyard and the other showing gardeners and masons bustling inside an enclosure dominated by two Roman statues on their pedestals. Extremely well preserved, they owed their immense charm to the freshness of the colors. Yet I failed to spot any bidder other than Agnew's representative, who bought them against the reserve at £13,200 francs.

The contrast could not have been greater with the hackneyed view of the Fizzetta San Marco in Venice that followed five minutes later. The cataloguer, Eric Turquin, had tentatively attributed it to Giambattista Cimarro, citing W.G. Constable and J.G. Links' opinion concerning two other variants of the composition in their monograph on Antonio Canaletto. Canaletto is supposed to have "conceived" the composition which, the authors suggest on the basis of an attribution first made in 1761, was then done by Cimarro.

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INTERNATIONAL

Herald Tribune

BUSINESS/FINANCE

SATURDAY-SUNDAY, JULY 23, 1983

ECONOMIC SCENE

By LEONARD SILK

Report Urges Lower Deficits, Study of U.S. Budget Process

NEW YORK — The biggest worry hanging over the securities market is the surging federal budget. The deficit for the current fiscal year, which ends Sept. 30, is estimated by the Reagan administration at \$210.2 billion, with off-budget outlays lifting the total deficit to \$227 billion, or 6.5 percent of gross national product. Unless drastic action is taken, deficits of more than \$200 billion are looming through the next four fiscal years, even if the recovery continues.

President Ronald Reagan, sounding more and more like a candidate, has objected strenuously to the steps Congress is taking to reach a budget compromise that would begin to shrink the deficits.

A coalition of Democrats and Republicans has approved a budget resolution for fiscal 1984 calling for outlays of \$249.6 billion, with the deficit projected at \$170 billion to \$179 billion, depending on how much Congress spends for recession relief. The plan also calls for a tax increase of \$12 billion in fiscal 1984 and a cumulative tax rise of \$73 billion in the next three years.

But Mr. Reagan is against tax increases and insists on greater military spending and less social spending. His plan calls for a \$190-billion deficit in fiscal 1984.

What are the economic implications of this battle and the string of deficits now in prospect? In a new report, "Strengthening the Federal Budget Process," the Committee for Economic Development, a group of business leaders and educators, says: "Unless prompt steps are taken to bring about a sharp reduction in the enormous and successively growing 'outyear' budget deficits that are now projected in the absence of corrective policy actions, the prospects for a sound and sustainable recovery will be impaired."

The report, put out by a committee headed by Elmer B. Staats, U.S. comptroller general until 1981, says the large future deficits are likely to absorb the major share of private savings, keep interest rates unduly high and rising, and discourage investment in new plants.

Chronic budgetary deficits, it adds, create the threat of inflation, pose a barrier to productivity growth and to rising living standards, and hence, the committee warns, jeopardize the political system.

Admittedly, the current budget deficit has not generated inflation or forced up interest rates, with the economy operating far below capacity and private loan demand weak. But the committee is concerned about the impact of huge prospective deficits as the economy moves upward and competition between public and private borrowers for capital and credit intensifies.

In seeking to assess the effect of fiscal policy on the economy, the committee uses the concept of a high-employment budget, which it originated in 1947. That concept shows what the level of the budget deficit or surplus would be if the economy were operating at an assumed "healthy" level of economic activity, with relatively low unemployment — by today's standards, about 6 percent — but without excessive demands that induce inflation.

That standard does not mean acceptance of 6-percent unemployment but only recognition that reducing unemployment below that level in an noninflationary way may require structural remedies rather than greater fiscal stimulus. At high employment, the budget should be at least in balance and many economists would favor a high-employment surplus to restrain inflationary pressures.

The failure of past Congresses and administrations to use fiscal policy effectively as a tool for stabilizing the economy has thrown an excessive burden upon monetary policy.

Inadequate Solution

The report says that is an inadequate solution, since the effort to check, by tight money, the inflationary pressure created by an unbalanced fiscal policy has become the source of chronic upward pressure on interest rates, with the associated problems of low investment, sluggish productivity growth, an overly strong dollar and a loss of U.S. competitiveness in world markets.

One key to improving the budget process, the committee says, is an increased understanding by Congress, the White House and the public of how the budget affects the economy and vice versa.

When the economy falls into recession, tax revenue drops, unemployment-related spending rises and the deficit expands. When the economy recovers, tax revenue rises, unemployment-related spending declines and the deficit shrinks. But a shrinking budget deficit caused by economic recovery does not mean that worries about the deficit's impact on the economy can be forgotten.

Mr. Reagan said this week that the administration was again raising its forecast of growth for the real gross national product. Martin S. Feldstein, chairman of the President's Council of Economic Advisors, said faster prospective growth this year and next would knock \$10 billion to \$15 billion off deficit projections for fiscal 1984 and 1985.

But in terms of the budget's effects on the economy, those smaller deficits would represent no change, for they do not affect the size the deficits would be if the economy were operating at a constant rate.

The New York Times

CURRENCY RATES

Interbank exchange rates for July 1, excluding bank service charges.

Country	Per U.S. \$	Per £	Per F.F.	Per D.M.	Per S.F.	Per Yen
Amsterdam	2.845	4.255	72.02	22.77	1.088	54.0
Buenos Aires	50.78	77.92	20.025	4.671	2.378	77.025
Frankfurt	2.839	3.815	—	1.088	0.328	4.974
London	1.532	2.079	31.869	9.236	4.282	10.005
New York	1.0035	2.0845	—	3.0035	0.328	14.789
Paris	1.045	1.624	5.0241	0.337	0.045	1.379
Zurich	2.162	3.228	2.248	4.8122	1.0448	27.59
1 ECU	1.06972	1.07922	2.7370	1.0486	2.0481	4.3371
1 S.D.	—	—	—	—	—	—

(*) Commercial trade (**) Amounts needed to buy one pound (**) Units of 100 (**) Units of 1,000
N.D.: not quoted; N.A.: not available.

INTEREST RATES

Eurocurrency Deposits

	Dollar	Deutsch	Switzer	French	British	SCD	SDR
1 M.	9.7%	10.5%	10.5%	9.5%	9.5%	12.5%	8.5%
2 M.	9.5%	10.5%	10.5%	9.5%	9.5%	12.5%	8.5%
3 M.	9.5%	10.5%	10.5%	9.5%	9.5%	12.5%	8.5%
4 M.	9.5%	10.5%	10.5%	9.5%	9.5%	12.5%	8.5%
5 M.	10.5%	10.5%	10.5%	10.5%	10.5%	12.5%	10.5%
6 M.	10.5%	10.5%	10.5%	10.5%	10.5%	12.5%	10.5%
1 Y.	10.5%	10.5%	10.5%	10.5%	10.5%	12.5%	10.5%

Key Money Rates

United States	Close	Prev.	Deutsch	Close	Prev.
Discount Rate	10	10	Call Rate	9%	9%
Federal Funds	10	10	Call Money	9%	9%
Prime Rate	10	10	1-day Treasury Bill	9%	9%
Broker Loan Rate	10	10	3-month Interbank	9%	9%
Com. Paper, 30-120 days	10	10	France	—	—
2-month Treasury Bills	9.5%	9.5%	Interest Rate	12%	12%
4-month Treasury Bills	9.5%	9.5%	Call Money	12%	12%
CD's 30-90 days	9.5%	9.5%	One-month Interbank	12%	12%
CD's 90-180 days	9.5%	9.5%	3-month Interbank	12%	12%
West Germany	—	—	Gold Options (prices in \$/oz.)	—	—
Lombard Rate	5.5	5.5	A.M. P.M.	12%	12%
Overnight Rate	5.5	5.5	U.S.	12%	12%
One Month Interbank	5.5	5.5	U.S.	12%	12%
3-month Interbank	5.5	5.5	U.S.	12%	12%
6-month Interbank	6.05	6.05	U.S.	12%	12%
Japan	—	—	U.S.	12%	12%
Discount Rate	5.5%	5.5%	U.S.	12%	12%
Call Money	5.5%	5.5%	U.S.	12%	12%
6-month Interbank	5.5%	5.5%	U.S.	12%	12%

GOLD PRICES

When in Washington, D.C. call me at	Blackie's House of Beef
Adjacent to the Washington Monitor CUB, 3rd YEAR	Adjacent to the Washington Monitor CUB, 3rd YEAR

Sources: Commodity Research Bureau, Inc.; Tokyo
Lombard Bank.



Ko Toshiro, right, secretary-general of the International University of Japan, and Kazuhisa Minami, an employee of Matsushita Electric and a student at the school.

Japan Opens School to Train World Business Specialists

By Steve Lohr
New York Times Service

Saburo Okita, the president of the university, is a well-known economist and a former foreign minister. And Mr. Toshiro, who runs the school's day-to-day operations, used to be a senior civil servant.

The government of Yamato in Kanagawa Prefecture gave the school 156 acres (62.4 hectares) of land. Yamato is part of the constituency of Kakuei Tanaka, the former prime minister who controls the biggest faction in the ruling Liberal Democratic Party. And the Education Ministry bent its rules by allowing the new school to grant postgraduate degrees even though it has no undergraduate program.

In the past, Japan's tradition of insularity did not hamper it economically. The team spirit of Japanese employees is often cited as a major reason for the high efficiency of manufacturing operations in Japan.

As long as Japan could export products freely, few international experts were needed to develop its overseas trade. But today, with more than half its exports under some type of restraint agreement, Japan has been forced to set up plants abroad to create jobs in some of the markets where it sells goods.

As a result, big Japanese corporations now need a larger corps of international specialists who are familiar not only with foreign markets but also with the politics and mores of distant lands. Meeting that need, Mr. Toshiro explains, is the primary objective of the International University of Japan.

Of the 43 students now at the school, all but two are

(Continued on Page 9, Col. 1)

Norton Simon Agrees To Purchase by Esmark

By Tom Redburn
Los Angeles Times Service

LOS ANGELES — Norton Simon Inc. has agreed to be acquired by Esmark Inc., after Esmark increased its offer to about \$925 million from an initial bid of \$884 million.

By agreeing to merge with Esmark, New York-based Norton Simon rejected a competing bid by Anderson, Clayton & Co. that called for the dismemberment of Norton Simon.

A spokesman for Houston-based Anderson, Clayton, which had offered to pay \$35 a share for 14 million Norton Simon shares, or about \$490 million, in a bid to acquire two key units of Norton Simon, declined comment on the agreement between Norton Simon and Chicago-based Esmark.

After a 4½-hour meeting of Norton Simon's directors, the two companies issued a brief statement late Thursday describing the agreement, which contains a provision designed to ward off any hostile takeover attempt from either Anderson, Clayton or another company. Under the provision, Esmark would have the right of first refusal for a year to buy any Norton Simon unit that another company might be interested in acquiring.

It is unclear at this point whether Anderson, Clayton will seek to upset the Esmark takeover.

Esmark, which earlier this week said it would not increase its original tender offer of \$33 in cash per share for 14 million Norton Simon shares, agreed to pay \$35.50 per share for a total of \$497 million. It will acquire the remaining 13.4 million Norton Simon shares currently or potentially outstanding through a new issue of convertible preferred stock worth about \$32 a share.

Esmark's new preferred stock would be convertible into 0.355 share of Esmark common stock and would carry an annual dividend of \$2.80. The preferred also could not be redeemed by Esmark for at least five years and would be

gradually retired through a sinking fund from 1994 to 2008.

The terms are slightly better than Esmark's original offer announced last Friday, in which the tender offer was \$33 a share and the new preferred stock carried an annual dividend of \$2.70.

Norton Simon had asked that its stock not be traded Thursday on the New York Stock Exchange pending an announcement. Its stock opened Friday at \$33.375, off \$3.375 a share.

Esmark, a conglomerate with interests in processed food, chemicals and industrial products, began its original tender offer on Monday despite being rebuffed by Norton Simon, which said the bid was not attractive enough to preclude its looking for a more suitable partner.

Norton Simon denied that David J. Mahoney, its chairman, solicited the offer from Esmark. But an investment group led by Mr. Mahoney withdrew its \$725-million buy-out offer for Norton

Simon at the same time that Esmark's original proposal was announced.

On Monday, hours after Norton Simon's board publicly rejected Esmark's first offer, Anderson, Clayton entered the bidding with an offer aimed at acquiring Norton Simon's Hunt-Wesson Foods and United Can subsidiaries for as much as \$650 million.

At that time, the New York investment firm of Kohlberg, Kravis, Roberts & Co., which had offered \$33 a share for all of Norton Simon's shares, dropped out of the bidding but began negotiating with Anderson, Clayton about acquiring that unit.

Norton Simon also owns the Avis rental car business, Max Factor cosmetics and several other operations.

Dow Jones Averages

Open	High	Low	Chg.
1223.56	1231.97	1213.94	+1.38
587.25	590.65	583.55	+2.61
111.95	112.95	111.95	+1.00
49.89	49.19	48.74	-0.15

Standard & Poors Index

Composite	High	Low	Chg.
169.44	169.92	168.91	+0.53
114.25	114.97	114.25	+0.72
101.35	101.72	101.35	+0.37
30.57	30.71	30.57	+0.14

Odd-Lot Trading in N.Y.

Buy	Sales
264,424	1,118
261,785	1,467
260,512	1,467
259,562	1,467
258,275	1,467
257,885	1,467
257,357	1,467
257,244	1,467

Market Summary, July 1**Market Diaries**

NYSE	AMEX	High	Low	Chg.
45.11	45.11	45.00	45.00	+0.00
45.11	45.11	45.00	45.00	+0.00
250.54	250.54	250.54	250.54	+0.00
1,762	1,762	1,762	1,762	+0.00

NASDAQ Index

Close	Prev.	High	Low	Chg.
1,213.38	1,213.38	1,213.38	1,213.38	+0.00
1,213.38	1,213.38	1,213.38	1,213.38	+0.00
1,213.38	1,213.38	1,213.38	1,213.38	+0.00
1,213.38	1,213.38	1,213.38	1,213.38	+0.00

AMEX Stock Index

High	Low	Chg.
49.43	49.43	+0.00
49.43	49.43	+0.00
49.43	49.43	+0.00
49.43	49.43	+0.00

AMEX Most Actives

NYSE	AMEX	High	Low	Chg.
45.11	45.11	45.00	45.00	+0.00
45.11	45.11	45.00	45.00	+0.00
250.54	250.54	250.54	250.54	+0.00
1,762	1,762	1,762	1,762	+0.00

NYSE Index

High	Low	Chg.
104.92	104.92	+0.00
104.92	104.92	+0.00
104.92	104.92	+0.00
104.92	104.92	+0.00

NYSE Most Actives

High	Low	Chg.
104.92	104.92	+0.00
104.92	104.92	+0.00
104.92	104.92	+0.00
104.92	104.92	+0.00

12 Month High Low Stock Div. Yld. P/E 100s High Low Quot. Close

Close	Prev.	High	Low	Chg.
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00

12 Month High Low Stock Div. Yld. P/E 100s High Low Quot. Close

Close	Prev.	High	Low	Chg.
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00

12 Month High Low Stock Div. Yld. P/E 100s High Low Quot. Close

Close	Prev.	High	Low	Chg.
267.95	267.95	267.95	267.95	+0.00
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267.95	267.95	267.95	267.95	+0.00
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267.95	267.95	267.95	267.95	+0.00
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267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00

12 Month High Low Stock Div. Yld. P/E 100s High Low Quot. Close

Close	Prev.	High	Low	Chg.
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00
267.95	267.95	267.95	267.95	+0.00

12 Month High Low Stock Div. Yld. P/E 100s High Low Quot. Close

Close	Prev.	High	Low	Chg.

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JPYI col 550

BUSINESS BRIEFS**West German Court Disallows Philip Morris-Rothmans Link**

BERLIN (Reuters) — The West German Supreme Court said Friday that it had rejected the merger of the West German operations of the U.S. company Philip Morris and Rothmans of London.

The court upheld a ruling by the federal Cartel Office forbidding the merger where it affected competition on the West German cigarette market. Philip Morris acquired 50 percent of Rothmans in 1981, and under West German law the subsidiaries are also deemed to have merged. The companies said the cartel office could not forbid an international merger.

The court said the indirect merger of Philip Morris and Rothmans' Martin Brinkmann unit would strengthen the grip of the five main West German tobacco companies on the domestic market. The five — Martin Brinkmann is the third-largest and Philip Morris is fourth — control 99 percent of the market.

Caledonian to Buy Carrian Line

HONG KONG (Reuters) — British Caledonian Airways has agreed to buy Carrian Far East Airways, British Caledonian said Friday. A Caledonian official declined to disclose the terms of the agreement. The company will be named Caledonian Far East Airways.

Union Warns Braniff on Contract

DALLAS (UPI) — The machinists' union representing Braniff crews says it will sue to force contract talks before the start of any Braniff airline operations under a deal with Hyatt Corp. if the airline does not honor the contract it had with the union before Braniff went broke.

Five other unions agreed to new contracts with the airline, which proposes to begin flying Oct. 15 with 2,000 of the 9,000 workers who were laid when Braniff filed for protection against its creditors.

Braniff contended Thursday that it also had a new agreement with the machinists' union. But a union spokesman said the April 7 contract applied only to a Braniff maintenance operations at Dallas.

Bethlehem Steel to Modernize

NEW YORK (NYT) — In a major move to modernize its plants, Bethlehem Steel, the second-largest U.S. steelmaker, plans to spend \$500 million to build continuous casters at its two largest plants. It was the second major capital project — and the biggest — announced this year by the steel industry.

In April, when the industry began to see a small recovery in demand, Inland Steel, the No. 7 steelmaker, announced that it would install two continuous casters, at a cost of more than \$200 million. Continuous casting saves energy and manpower by allowing steel to be taken straight from the basic oxygen furnaces and cast for finishing while still hot.

Canada Won't Raise Fuel Prices

TORONTO (NYT) — Canada has effectively frozen the domestic prices of natural gas and much of its crude oil for 18 months, ending months of debate between Ottawa and Alberta, where 90 percent of Canada's oil is produced.

"This means we definitely will not go ahead with the \$4-per-barrel increase that was due tomorrow," Jean Chretien, Canada's energy minister, said Thursday. "And, barring a sharp upward swing in the world oil price, we will not go ahead with the increases scheduled for next year."

In essence, the agreement postpones a resolution of the price issue until after the government of Prime Minister Pierre Elliott Trudeau holds a leadership convention and general election. Mr. Trudeau is believed to have won the 1980 election mainly by promising to continue price controls.

U.S. Eases Savings Restrictions

WASHINGTON (WP) — Federal banking regulators have removed all interest-rate ceilings and minimum deposit restrictions on savings accounts with a term of more than 31 days.

The change, which affects such popular accounts as the six-month money market certificate of deposit, will take effect Oct. 1. The Depository Institutions Deregulation Committee had already removed restrictions on accounts with terms longer than two and a half years. The regulators also voted Thursday to ease penalties imposed on savers who withdraw funds before an account matures.

Japan Seeks to Train International Experts

(Continued from Page 7) Japanese. Two of the 13 foreign students who will arrive later in the year will come from the United States. The foreign students, like eight of the Japanese students, are not employees of any Japanese corporation.

The remainder work for Japanese companies, which pick the students, give them time to prepare for the entrance examination, pay their school expenses and continue to pay their salaries.

"Each one will go back to the mother company," Mr. Tashiro said. "During the two years, it is considered that he has never left the company."

A list of the students' employers includes such corporate giants as Mitsubishi, Matsushita, Nissan, Nomura, New Japan Steel, Mitsui Bank and Fuji Bank. Only one student from each company is admitted.

The faculty at Yamato consists of 28 full-time professors and several visiting instructors. The curriculum combines international politics, economics and management.

Each student selects one of four regions as a specialty. These are North America, Asia, the Middle East and Japan (for foreign students). All classes are in English, regard-

U.S. High Court Vindicates Dirks in Equity Fraud Case

United Press International

WASHINGTON — In an important decision for the securities industry, the Supreme Court ruled Friday that a Wall Street analyst who uncovered one of the biggest business frauds in U.S. history did not deserve to be censured for telling stockholders about the fraud.

The justices ruled 6-3 that the Securities and Exchange Commission was wrong to censure Raymond Dirks for alerting certain investors in time for some to sell their stock before news of the \$2-billion fraud toppled the Equity Funding Corp. insurance holding company of Los Angeles.

The justices said strict rules against buying or selling stock based on "inside tips" do not prohibit securities analysts from

alerting investors to any information they obtain from company insiders.

"Imposing a duty to disclose or abstain solely because a person knowingly receives material non-public information from an insider and trades on it could have an inhibiting influence on the role of market analysts," Justice Lewis Powell wrote. "We conclude that Dirks, in the circumstances of this case, had no duty to abstain from use of the inside information that he obtained."

Because the company employees from whom Mr. Dirks obtained information on the fraud had no duty to the company's shareholders to keep the facts secret, the court found, Mr. Dirks was free to pass the information on.

Mr. Dirks played a major role in 1973 in exposing a scheme by Equity Funding Corp. of America to issue \$2 billion worth of phony life insurance policies and collect on them later by using fake death certificates.

Mr. Dirks was working as a private securities analyst in New York when a former Equity employee told him about the fraud. Conducting a private investigation, he interviewed several employees and top management, informed the company's auditors and tried to convince The Wall Street Journal to write a story about the scheme.

At the same time, he was passing on information to investors, some of whom sold \$17 million worth of Equity Funding stock before trading was halted and the company collapsed.

Despite the praise bestowed on Mr. Dirks's detective work, the SEC found that he acted illegally and censured him, the mildest punishment available, amounting to a public statement of wrongdoing.

The SEC found that Mr. Dirks violated rules against communicating or trading stock on the basis of corporate information not available to the general public. It criticized him for not taking his information to authorities first.

A federal appeals court in Washington had upheld the censure 2 to 1.

On appeal to the Supreme Court, Mr. Dirks was joined by the Justice Department in arguing that private securities analysts should not be punished for doing their job in investigating rumors about publicly held companies.

BIS Offers No Comment On Brazil Loan Payment

Reuters

BASEL — The Bank for International Settlements declined to comment Friday on whether Brazil made a \$400 million repayment due to be made to central banks by June 30.

Asked whether the money had been repaid on time, a BIS spokesman said, "My instructions are to make no comment."

The sum is part of a \$1.45 billion bridging loan made to Brazil at the end of last year by central banks acting through the BIS. The \$400 million was originally due for re-

payment at the end of May, but the deadline was extended to June 30 after Brazil requested more time.

Repayment in May was held up when the International Monetary Fund withheld disbursement of a \$411 million second tranche of a three-year IMF loan totaling \$4.9 billion.

This was held back because Brazil failed to meet certain economic targets on which the loan was conditional. Brazil meanwhile has been preparing new austerity measures and holding talks with the IMF.

EC Trainees Are Going to Japan

By Bjorn Edlund

Reuters

BRUSSELS — The European Community, trying to find out what makes the Japanese so effective in business, is sending young managers to study Japan from the inside under an unusual training program.

At stake are more than \$10 billion a year — the gap between Japanese sales in the 12 community countries and their combined income from Japan.

With efforts to get Japan to open its markets to foreign goods largely unsuccessful, the community in 1979 set up its program to train young managers in Japan, creating what one business expert called "a new fifth-column with unique knowledge of one of the world's most difficult markets."

Language is seen as the key to the unlocking of that market, and trainees spend 12 months studying Japanese, with another six months in in-house training with companies involved in their own specialty.

The community hopes the managers will stay in Japan as business pioneers. Of 42 who have completed the course, 16 now work in Japan for their European companies.

"There are more than 10,000 Japanese businesses in Düsseldorf alone, but only 2,000 European businesses in Tokyo," said Mr. de Schutter, now Asia manager for the Belgian Federation of Metalworking Industry.

Under pressure from the United States and European countries, Japan has in recent years eased its tariffs and other trade barriers.

But the community has called on the General Agreement on Tariffs and Trade, the Geneva-based body that polices world trade rules, to ascertain why Japan remains virtually closed to foreign goods.

The complaint will be consid-

ered in Brussels between July 4 and 7.

Shying away from trade politics, the trainees seek to learn about Japan's traditions, labor relations and management techniques.

From an economy ravaged by war in 1945, Japan's production surpassed that of Britain in 1967 and now equals roughly the combined production of West Germany and Italy.

Hans-Henning Kage, an electronics specialist of West Germany's AEG-Telefunken, is fascinated by Japanese thinking.

"I do martial arts and am impressed with its demands on your mind," he says. "I want to see whether this applies to management techniques as well, their well-known motivation."

For the community, the executive training program is regarded as a good investment. "The trainees serve as ambassadors as well," said one official.

Philips is an electronics company with a worldwide range of activities. The company's headquarters is in Eindhoven (The Netherlands), where its Central Translation Department at present has a vacancy for a translator in the English section.

This department handles a widely varying range of subjects in the technical, scientific, financial, economic, legal and commercial fields. The revision of English texts from the linguistic and stylistic viewpoints and the provision of terminology service for other departments are also part of its brief.

The person we are looking for must have English as his or her mother tongue, be able to write clear, and possess a sound knowledge of Dutch, German and French (at least one at Honours Degree level), together with the ability to translate from another European language, if possible.



At least five years' experience as a translator is essential.

Age: 30-45.

All candidates invited for interviews will be required to take a written test.

The terms of employment include assistance with removal costs and help in finding accommodation.

Eindhoven has a relatively large British population and there are international school facilities offering education from primary to "O" level, as well as an International Baccalaureate which qualifies students to enter University.

Applicants should send a full curriculum vitae to Mr. M.E. Lingmont, Philips Personnel Department, P.O. Box 218, 5600 MD Eindhoven, The Netherlands. Please state your planned vacation period.

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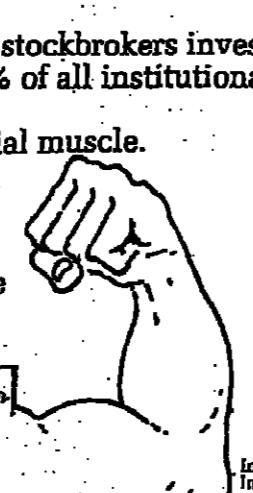
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DOWN

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- 15 Where congers congregate
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PILGERMANN
By Russell Hoban. 240 pp. \$13.95.
*Summit Books, 1230 Ave. of the Americas
New York, N.Y. 10020.*

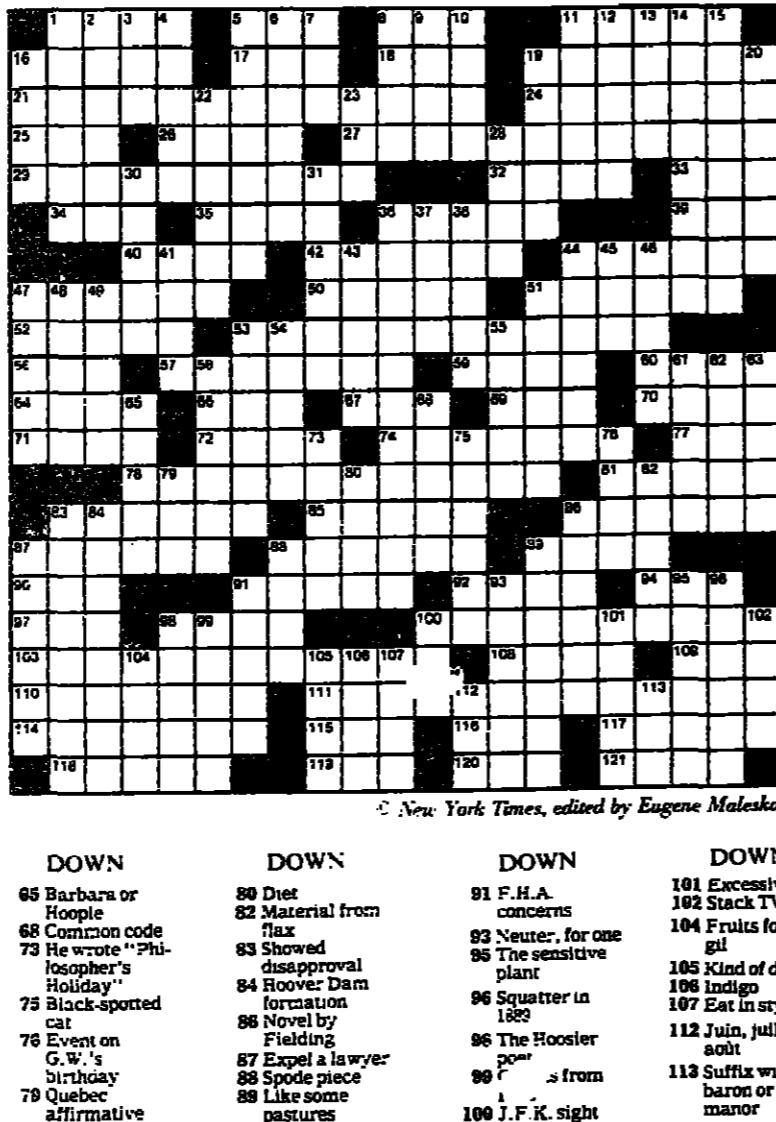
Reviewed by Michiko Kakutani

RUSSELL HOBAN does not write books that are easy to read. His last novel, the highly acclaimed "Riddley Walker," employed an invented form of slangy Middle English to portray life in a post-apocalyptic world; and even though his new novel "Pilgermann" is recounted in contemporary prose, it, too, is dense with mythic allusions and metaphysical speculation. Complete with an appendix of footnotes, it's the sort of book that one reads with pencil firmly in hand. The effort, however, is not without recompense: between the rather portentious theorizing, there are clever, philosophical pranks and strangely brilliant passages of description that have the visual impact of paintings glimpsed in a museum.

The plot, such as it is, is relatively straightforward. The narrator, who calls himself Pilgermann, was a Jew living in medieval Europe at the time of the First Crusade. After committing adultery with the tax collector's wife, he was attacked and castrated by a mob of anti-Semitic peasants; and he resolved, then and there, to embark on a pilgrimage to Jerusalem. It is a pilgrimage he never completes. Killed during the siege of Antioch in 1098, he is

CROSSWORD PUZZLE

Playing with Matches By Jim Page



© New York Times, edited by Eugene Maleska

BOOKS

now a disembodied spirit — "a whispering out of the dust" — who speaks with the patchy, retrospective knowledge of history.

Pilgermann, as he points out himself, has a mind "like an automaton that cannot be stopped." Hungry for faith and wisdom, he wants to remember everything, and he often speaks as though he had swallowed and partly digested whole volumes of the encyclopedia. The omniscience of God, the nature of time, the possibilities of art — as well as the meaning of Life, Death, Beauty and Truth — these are some of his favorite preoccupations. At times, Hoban's exploration of these ideas seems boringly familiar — if God exists, how can he permit the suffering of innocent people? — and the language also degenerates, turning into blissed-out '60s jargon. "As I recall life now I sometimes think of it as a sort of raisin cake with vast distances between the raisins," he writes. Or, "There is always a twoness in the oneness, and for this reason it's almost impossible to know what is happening in the space-time configuration."

Yet just as the reader is becoming exasperated, Hoban puts an ironic spin on his prose or toises in a sauric joke — often at his own expense. Pilgermann, for example, is forever drawing parallels between himself and Christ, his adversary the tax collector and Pontius Pilate; and pointing to the

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- 55 Creamy dessert
- 56 Hoover Dam formation
- 57 Black-spotted cat
- 58 Event on G.W.'s birthday
- 59 Quebec affirmative

- 80 Diet
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- 91 F.H.A. concerns
- 93 Nutter, for one
- 95 The sensitive plan
- 96 Squatter in 1892
- 98 The Hoosier Poem
- 99 — from 100 J.F.K. sight

- 101 Excessive role
- 102 Stock TV role
- 104 Fruits for Virgin
- 105 Kind of dollar
- 106 Indigo
- 107 Eat in style
- 112 June, Juliet et alot
- 113 Suffix with bar or manor

DOWN

corpse of a man named Udo, he wonders "What about him?" John the Baptist maybe? The prophet Elijah? His companion shakes her head. "He never was any good for anything but being Udo," she replies. In other instances, Hoban's characters sound a bit like people in a Woody Allen movie. "Why?" asks Pilgermann after being castrated. "It's not you," says Jesus.

Carey Hoban's vision of the world is as dark as his humor is black. The presiding images in the book, in fact, are borrowed from Hieronymus Bosch, that master of the grotesque. Strange demons haunt the air, cities burn, people are mutilated and idealism crumples, for the land Pilgermann traverses as he makes his way towards Jerusalem belongs to the fallen, post-Eduardian world, a world in which the price of knowledge is suffering and pain. In the course of his travels, Pilgermann not only encounters all sorts of wondrous creatures — a bear who plays God; a lecherous pig; and Death, himself, mounted on his pale horse — but he also witnesses or imagines some extraordinarily brutal events. In one especially awful scene, Death and an army of skeletal rape a group of children, violating their innocence with gross disregard; and in another, soldiers savagely lob their victims' heads at one another.

Having been kidnapped by pirates and sold as a slave, Pilgermann soon finds himself purchased by a kindly Turk, who takes him home to Antioch. Once there, he participates in the building of a plaza, laid out in a magic, cabalistic pattern.

From this point on, the narrative is particularly numbing. In detailing the secret powers of the so-called "Hidden City" plaza, Hoban seems to be striving for a kind of Borgesian effect; he wants to create a metaphor for both the universe and the human rage for order. Instead of using parable and imagery as he did in the first part of the book, however, he simply lets his narrator rant and rave in an endless stream of intellectual free-association. In this case, Pilgermann is all too accurate when he describes his limitations: "not only is storytelling denied me but history also," he says. "I may well be reporting nothing more than spiritual mirages and metaphysical illusions."

MICHIO KAKUTANI wrote this review for The New York Times.

Solution to Last Week's Puzzle



MICHIO KAKUTANI wrote this review for The New York Times.

DENNIS THE MENACE



"THE TROUBLE WITH MARGARET IS, THAT WHEN SHE KNOWS, SHE KNOWS SHE KNOWS!"

WEATHER

EUROPE		ASIA		AFRICA		LATIN AMERICA		NORTH AMERICA		MIDDLE EAST		OCEANIA	
HIGH	LOW	C	F	HIGH	LOW	C	F	HIGH	LOW	C	F	HIGH	LOW
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Austria	50	68	17	50	68	17	50	68	17	50	68	17	50
Berlin	50	68	17	50	68	17	50	68	17	50	68	17	50
Bordeaux	50	68	17	50	68	17	50	68	17	50	68	17	50
Brisbane	50	68	17	50	68	17	50	68	17	50	68	17	50
Buenos Aires	50	68	17	50	68	17	50	68	17	50	68	17	50
Brussels	50	68	17	50	68	17	50	68	17	50	68	17	50
Budapest	50	68	17	50	68	17	50	68	17	50	68	17	50
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Geneva	50	68	17	50	68	17	50	68	17	50	68	17	50
Gibraltar	50	68	17	50	68	17	50	68	17	50	68	17	50
Harbin	50	68	17	50	68	17	50	68	17	50	68	17	50
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London	50	68	17	50	68	17	50	68	17	50	68	17	50
Madrid	50	68	17	50	68	17	50	68	17	50	68	17	50
Milan	50	68	17	50	68	17	50	68	17	50	68	17	50
Moscow	50	68	17	50	68	17	50	68	17	50	68	17	50
Nairobi	50	68	17	50	68	17	50	68	17	50	68	17	50
Paris	50	68	17	50	68	17	50	68	17	50	68	17	50
Perth	50	68	17	50	68	17	50	68	17	50	68	17	50
Prague	50	68	17	50	68	17	50	68	17	50	68	17	50
Rome	50	68	17	50	68	17	50	68	17	50	68	17	50
Salisbury	50	68	17	50	68	17	50	68	17	50	68	17	50
Sana'a	50	68	17	50</									

SPORTS

McEnroe Defeats Lendl in 3 Sets

Lewis Beats Curren to Reach Final at Wimbledon

The Associated Press

WIMBLEDON, England — Delivering 16 aces, John McEnroe swept past Ivan Lendl on Friday, 7-6, 6-4, 6-4, to reach the final of the Wimbledon Tennis Championships for the fourth consecutive year.

McEnroe will face Chris Lewis, an unseeded New Zealander, who defeated the No. 12 seed Kevin Curren of South Africa, 6-7, 6-4, 7-6, 6-7, 6-6.

McEnroe, the No. 2 seed this year at the All-England Lawn Tennis' and Croquet Club, won this tournament in 1981 and was runner-up to Björn Borg in 1980 and to Jimmy Connors last year.

In the women's final Saturday, Martina Navratilova, the No. 1 seed, will meet Andrea Jaeger, seeded third. The men's final will be played Sunday.

McEnroe's victory Friday was his third straight over Lendl, the tournament's No. 3 seed. Before that, Lendl had defeated the Amer-

ican left-hander in seven consecutive matches.

McEnroe and Lendl fought evenly through the first set, with no service breaks, as Lendl's booming serve set up easy volleys for him. But McEnroe's serve, depending more on placement and spin rather than brute strength, was more effective.

In the sixth game of the first set, McEnroe, crowding the net as usual, slammed a vicious forehand volley right at Lendl. The Czechoslovak ducked as the ball hit just inside the baseline.

For the rest of the match, whenever McEnroe had an easy ball to hit for a passing shot, Lendl stood riveted in one spot and McEnroe had his choice of going to either side of his opponent.

McEnroe said he wasn't aiming at Lendl when he slammed the volley straight at him. "I didn't mean anything by it," McEnroe said. "I had been playing too cautiously and I decided to be more aggressive."

It was a high volley, the first one I had, and I hit it hard down the middle."

"I would have done the same thing," Lendl said. "I had been running down his shots on each side and I think he just decided to keep me careful. After that shot, I became more cautious. I had to think about it. And I think it inhibited me from helping him. But he never tried it again."

In the first-set tiebreaker, with Lendl leading 3-1 and up a break, McEnroe won five straight points to reach triple set point. Lendl saved two of them, but then McEnroe closed out the tiebreaker, 7-5, with a forehand volley.

The second set went on service for the first six games as McEnroe still was unable to solve Lendl's serve. Then, with the score 40-15, Lendl serving, McEnroe moved far behind the baseline.

McEnroe then pounced on a second serve with a backhand down the line for a winner. He then

whipped a forehand service return down the line and the score was deuce.

Three points later, with McEnroe holding the advantage, Lendl double-faulted and McEnroe had the first break of the match.

Lendl wasn't able to win a point on McEnroe's next two serves — in fact, he won only three points on McEnroe's serve in the set — and the talented left-hander took a 2-0 lead.

In the third set, McEnroe broke Lendl again, this time at 15 in the third game. From there, it was just a matter of McEnroe's holding his own serve, which he did, to advance to the final.

In all, McEnroe served 16 aces against only four for Lendl and gained irreversible momentum after the opening-set tiebreaker.

"I didn't think he looked that comfortable on grass," McEnroe said of Lendl. "He was lazy on his low volleys and didn't take advantage of a lot of opportunities."

Following his loss to McEnroe at Dallas, Lendl angrily said if McEnroe questioned line calls in their next meeting, he would retaliate by hitting the American with tennis balls during their rallies.

However, passions failed to surface Friday, and the match went off without incident. The two left off the court in cold reserve, never speaking of their life.

Lewis, only 91st in the world rankings, is New Zealand's first Wimbledon finalist since Tony Wilding, a three-time champion, lost to Norman Brookes of Australia in 1914. He is also the first unseeded finalist since Wilhelm Bunter of West Germany, who lost to John Newcombe in 1967.

The 26-year-old from Auckland, who plays best on clay, was lunging and diving all over Wimbledon's grass court Friday in his 3-hour, 45-minute marathon against Curren.

Curren had eliminated Connors, the No. 1 seed, in the fourth round and defeated Tim Mayotte in the quarterfinals.

Saturday's women's final will be the 15th time that Navratilova and Jaeger have met. Navratilova has won 10 times, including their last seven matchups.

United Press International

John McEnroe firing a return to Ivan Lendl in their Wimbledon semifinal match Friday.

Borg in the Background: So Far, No Regrets

*By Jane Leavy**Washington Post Service*

LONDON — If anyone can be said to hold the record to Center Court at Wimbledon, it is Björn Borg. "I feel like I was a part of the court," he said this week. "Own? I don't know. It's a part of my life, that tennis court."

Borg, who made "Made in Tennis" live, no longer plays tennis for a living. He returned to Wimbledon this year for the first time since losing his title to John McEnroe in 1981, not as a pilgrimage, not as a test of his resolve to retire. He came with an NBC television patch on his jacket and a job to do.

Not once has he stolen away and tried the courts where he made his name and set a record for 41 consecutive match victories. Not once has he gone alone to Center Court, where he won five consecutive singles titles (1976-80), more than anyone else since World War I.

Borg now speaks tenderly of Wimbledon, with a voice not often heard when he was playing. Perhaps he had to get away from the pressures that sapped the joy — pressures he says he was not conscious of — to articulate his feelings.

He was asked what meant the most.

"My first Wimbledon. That was my dream — to win Wimbledon," he said. "Always the first time, when you do something, you appreciate it. If I had to put one up on the wall, I would put up my first Wimbledon."

And then, of course, there was the match in 1980 against McEnroe. "That's a memory," he said.

A memory of McEnroe saving two match points when Borg served at 5-4 in the fourth set and five more in the 22-minute, 34-point tie-breaker. "I don't know myself if I could come back after losing seven match points," Borg said. "It was like I was entranced. Nothing was affecting me. I didn't hear the people around me. I was just thinking about the fourth

set. Maybe that's why I was relaxed. I said to myself, 'You are going to end up losing this match.' That sounds strange that I was relaxed."

His life is elsewhere now, free of pressure.

This week, he played doubles in Stockholm with the U.S. vice president, George Bush. They beat Jon Erik Lundquist, the former top-ranked Swedish player, and Wilhelm Washmeister, the Swedish ambassador to the United States, 3-6, 6-1, 6-3.

He has not played much since his last Grand Prix tournament, when he lost to Henri Leconte in the second round of the Monte Carlo Open last March. The man whom many consider the best player ever has become the most celebrated practice partner that Monaco's Davis Cup team has ever had. When he practices, it's still serious, "like I'm preparing myself for a tournament," he said. "I cannot just go out and hit a few strokes."

He plays with Michel Berti and Bernard Balleter, members of that team, and his wife, Mariana. "I like to play sets," he said. "I don't like to go down the line for an hour." How many has he lost? "Actually, not many," he said. He plays when he feels like it. "It might be two or three days in a row," he said. "I might not play for two weeks."

He plays for exercise. He's only 27, after all.

Even now, if I don't play for 10 or 12 days, I feel bad, my body feels bad. That's why it's so good to go out, to run around. I feel so much better, but not enough to tempt him to come back. "I might get that feeling," he said. "Up to now, nothing."

The most important thing is to enjoy what you are doing. That's when I stopped, because I didn't enjoy it anymore."

Now, he is enjoying learning things he never knew about as a player, like the television comments beyond the back courts, where wires and cables dangle from trees and connect components. This is where he sits, relaxed, talking about his old job and his new one. At the French Open, where he made his debut as an NBC commentator, he learned how difficult it is "to say things that mean something in a short amount of time."

At Wimbledon, he sits in the broadcasting booth, instead of in the stands, and that may make things easier. Even before McEnroe's victory over Ivan Lendl on Friday, he had picked McEnroe to win the tournament.

You look for a hint, a glint in his eye, as he reaffirms his prediction. "I still love tennis, and I will always love tennis," he said. "I will always play tennis; I will not lock the racket into the closet."

being at Wimbledon, knowing what it's like sitting in the waiting room for those two or three minutes before you go to Center Court to play. But it's just nice to be in the background for a change."

Privacy is what he always craved. It's partly what drove him from the game. He wanted to play in Wimbledon last year, but the Men's International Professional Tennis Council ruled he had to qualify because he had not played the required number of tournaments. Then, for three months last fall, he trained to come back from the year off. He found the joy and the motivation were missing. The pressures of being on top had taken that from him.

"I didn't know exactly how I was reacting," he said. "The best ones that could see it were Mariana or my parents or Lennart — Lennart Bergelin, his coach. I was not conscious of it. I felt good about it when I played.

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Transition

BASEBALL American League
BALTIMORE — Eddie Murray, third baseman to Rochester of the International League,

has been traded to the Orioles. Eddie Murray, an Englishman, said, "We would have been happy if they had come back level, so that we could see what would happen. We were that much in control in the race."

Harvard will meet Reading University in the quarterfinals, while Princeton will go against University College, Dublin, which defeated its old rival, Trinity College, by 14 lengths.

Two South African crews competing under the names of English clubs also survived. The eight from Witwatersrand University, Johannesburg, entered as Eyr. RC, knocked out a British crew in the Themas Cup for eighth, and acox four from Pietermaritzburg University, competing as the City of Cambridge, beat another British boat.

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WITWATERSRAND, South Africa

W

ART BUCHWALD

Who Asked the Pope?

WASHINGTON — The Polish Central Committee had an emergency meeting as soon as the pope's plane took off from Krakow to return to Rome.

"All right," one of the high officials said. "Who came up with smart idea to have the pope visit Poland?"

Someone pointed his finger at Panowski.

Panowski threw up his hands. "I thought it would be good for tourism. You have to admit we got great press all over the world."

"Especially in Moscow," one of the members said. "Do you realize what you've done, Panowski? You brought all the Solidarity people back together again, you allowed them to have demonstrations in the street and we may have to lift martial law."

"How do I know there were that many Catholics in the country?"

"You could have asked us, Panowski. Would you mind telling us exactly how you got us in this mess?"

"Well, last winter I got a call from the Vatican and the man said the pope would like to visit his homeland. I thought he wanted to go to the village where he was born and have a few days rest at a monastery. I didn't know he was going to use the trip to bring a message to the Polish people."

"You think the pope just goes around the world looking for a place to take a vacation?"

"I expected him to say Mass, but I didn't realize anybody would show up for it."

"Only 10 million people showed up, Panowski."

"But they all didn't take communion."

'Superstar' Reaches Budapest a Bit Late

Associated Press
BUDAPEST — Norman Jewison's 1973 film "Jesus Christ Superstar" has hit three Budapest movie theaters, albeit with a 10-year time lag.

Even the Communist Party newspaper *Nepszabadsag* wondered why it took so long, voicing "a slight suspicion" that the delay was because "there may have been some people who thought its screening here would be a concession to clericalism."

"I think you're missing the point, Panowski. Until the pope's visit we had the unions under control, the people were dispirited and had lost their will to fight, and we looked like we were in control. Now everything is changed and we're back where we started from. The pope gave everyone a shot in the arm, which is something we didn't need at this time."

"So I underestimated his appeal as a spiritual leader. We all make mistakes."

"That is what you want us to tell Moscow?"

"Why do we have to tell Moscow anything? We're an independent country."

"No reason except they have 6 million troops on our border. You better come up with a good story when the Kremlin calls us, which should be any minute now."

"Why don't we say he came here on a trade mission to buy Polish hams in exchange for Vatican wheat?"

"I'm not sure the Soviets will buy that one; not after the speeches he made from the pulpit."

"We could say the Western press exaggerated the visit and made it into a political spectacle to further their warlike intentions toward the Warsaw Pact nations."

"That's better, but it's still not good enough. The Soviets are going to ask why we let him come in the first place."

"Because we needed the hard currency to buy oil from the Russians."

"It won't fly, Panowski."

The phone started ringing.

"It's them, Panowski. Why don't you answer it?"

"Hello, yes, comrade. This is the Central Committee. Before you say anything, he's gone. We kicked him out of the country before he could do any damage. . . . No, no. Everything's quiet in Poland. Do you think one priest could be a threat to the great Polish Communist Party? . . . Who told you the whole country turned out to hear him? . . . That's disinformation put out by the CIA. The man didn't even fill up one small church. A few old ladies turned out to see him. You have my word for it. . . . Listen to me. . . . We don't need any troops. . . . He didn't influence any of us. . . . So help me God!"

Helene von Damm*An Austrian Girl Returns to Vienna As U.S. Ambassador*

By Alan Levy
International Herald Tribune

VIEENNA — Once upon a time, the Great Communicator began at the White House swearing-in ceremony in May. "There was a young girl in Austria . . . during the time of the Soviet occupation . . . and all the tragedy that went with it. And then she made her way to the United States. And I've been very proud for a lot of years that she . . . had a job in Chicago, and she left the job, made her way to California when I ran for governor and went to the headquarters in San Francisco, wanted to work in the campaign, but needed a job. And she was hired."

Ronald Reagan's former secretary and newly-arrived U.S. ambassador to Austria, Helene von Damm, 45, straightforward and starchy yet sweet as cherry strudel, was born Helene Winter in Upper Austria and grew up in the Lower Austrian village of Ulmerfeld during and after World War II. Ulmerfeld was in the Russian occupation zone, where she recalls that "every day a neighbor was murdered or might disappear" and every second day, her own mother walked "a hour or two through dangerous territory just to beg milk and eggs from oulying farmers."

Helene and her brother were "half-orphans"; their father, an engineer, had tuberculosis and died when she was 12.

At commercial high school, she specialized in secretarial skills and remembers that the only poor grade on her report card was in English. "I tried to talk the teacher into improving it because we both knew I'd never need English again." She laughs, a lifting Viennese laugh as distinctive as the accent with which she still speaks English.

Upon graduation, she moved to Vienna, 80 miles away, and worked two years as a bookkeeping clerk. Walking three miles from work to her room in the working-class district of Ottakring to save the price of one cup in a coffee-house, she suspected

there was something better somewhere than the "closed environment" of Austria, even after the four-power occupation had ended in 1955. "When I worked here," she says, "with my limited background, there was something called 'The Smart Book' that you could look at and, based on how old you are, your years of experience, and your education, it states what your salary will be."

She spent a summer working in Sweden, then a year in Erlangen, West Germany, where she married an American GI named Charles McDonald. He took her to Detroit, where she mastered English during two years "working as a copying typist" in an American environment. When the marriage broke up, she moved to Chicago and found work as a secretary with the political-action committee of the American Medical Association. It was under AMPAC auspices in 1965 that Ronald Reagan, then a private citizen, delivered the address that changed both her address and her life:

"Goldwater had just lost the 1964 election and everybody was preoccupied with the Great Society and its social programs. But I was very much aware that, with everything you think you get, there are strings attached when the government gets involved. And this was the chord that Ronald Reagan struck in me. I found it terribly exciting to be in a country where the possibilities were so much greater. I wanted to present this, I wanted to shout: 'I just got here! Don't change things!'

"In the States, you have the possibility to say: Look, I don't have this diploma, I don't have that degree, but I know I can do it and I'm gonna work twice as hard if you'll give me the chance."

Which is what she did after quitting her job to follow Ronald Reagan halfway across the continent. Shining then, as now, with admiration at the mention of his name, she took temporary jobs to stay afloat when there was no paid position for her in his gubernatorial campaign and went back to Reagan headquarters week after week until she found an opening. When Reagan was elected in 1980, his cabinet secretary, William P. Clark, now the president's national security adviser, took her to Sacramento as administrative assistant. In 1981, when the governor's personal secretary left to marry Clark, Reagan there was only one person in the capital to replace her.

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Helene von Damm

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Taking no chances in Washington, Helene von Damm made the rounds of U.S. agencies before her departure. "I'm not paying a courtesy call," she told the chiefs.

"I've brought a shopping list."

In the bag when she arrived in Vienna were an increase from 13 to 20 in the number of Austrians invited to the United States under the International Visitors Program, and an accelerated recruiting of a U.S. consulate in Salzburg on July 25. "How the hell," one of the most powerful men in Washington asked, "can you say no to the lady who found you your job?"

She married a German-born

Bank of America executive, Christian von Damm, in 1970, and although the German magazine *Bunte* claims their marriage ended in 1976 because of separate careers, she says succinctly: "That is not a direct quote. He was very supportive, as many men are today. Just, sometimes, reality poses a strain." In 1981, she married again. She describes her third husband, Byron Jay Leeds, 50, who last year sold his computerized satellite business, as "a man who is totally secure" and more than content to commute to Washington every six weeks or so from the palatial ambassador's residence near Schönbrunn.

After Reagan's second term as governor, she followed him into

private life as his executive assistant. In 1976 she published a book called "Sincerely, Ronald Reagan," a narrative biography woven from her conversations with him and his correspondence. It became in paperback, an important weapon in the 1980 campaign, which she served as north-east regional finance director, raising \$3.5-million in nine states. Upon his election, she joined the presidential personnel transition team and then became his special assistant. In October 1981, she was named director of presidential personnel, and, last August, assistant to the president for personnel.

What her official biography calls "something of a Horatio Alger" success story" has been taken up by the Austrian media as the Cinderella story of the century, with front-page coverage of "La Belle Helene" since her appointment was announced in February. Austrian television devoted 45 minutes of Friday-night prime time to profiling "Helene von Damm: An American Dream," and will be on Oct. 4 for her Independence Day reception.

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Meanwhile, back at the White House, Ronald Reagan was consoling himself with "one thing"

"that does add to my joy, in spite of my sorrow at her going, is that she will have a chauffeur to drive her wherever she goes. The only American thing she didn't master well is traffic. She has a couple of totaled Pontiacs to testify to that."

For once, Helene von Damm takes the issue with the boss: "The second was a Datsun sports car. Even though I try to convince everyone that neither accident was my fault and I have the police reports to prove it, I never impressed the president. His doubts linger."

PEOPLE**Donors of Tired Blood**

The film director Franco Zeffirelli and the fashion designer Emilio Pucci both failed at the ballot box in the elections for Italy's Parliament. The two were among several well-known candidates recruited by Italian political parties as *donna di sangue* or blood donors, to add color to otherwise lifeless party tickets. In spite of his star status, Zeffirelli got only 15,924 votes running as a Christian Democrat in leftist-ruled Florence, placing sixth on a ballot which allowed only four candidates to go to Parliament.

Emilio Pucci, a former Liberal Party senator, got 1,949, placing him 13th on a slate of 16.

Queen Elizabeth II honored the Royal Scots regiment for 350 years of service to the crown, and named her daughter, Princess Anne, the regiment's new colonel in chief. Hundreds of spectators watched as the queen reviewed a parade of the regiment's 1st Battalion, its band, pipes and drums, a 50-strong detachment of Guards — affiliated with the Royal Scots — and members of the Canadian Scottish and Royal Newfoundland regiments.

The ceremony, on the grounds of Holyrood palace and abbey, burying ground of Scottish kings, marked the raising of the regiment by Sir John Hepburn in 1633.

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